

# Asia Strategic Overview

**Nic Nicandrou**

Chief Executive

Prudential Corporation Asia


### Regulators


**Changing accounting standards**  


**Conduct**  



**Evolving capital framework**  



### Employees


**Capabilities/skills**  



**Expectations**  


### Customers


**Growing Connectivity**  



**Changing Behaviors**  



**Ageing Population**  



**Growing Middle Class**  


### Environment


**Economic Changes**  



**Climate**  



**Market**  


**Geopolitical**  


### Technology

**Cloud**  


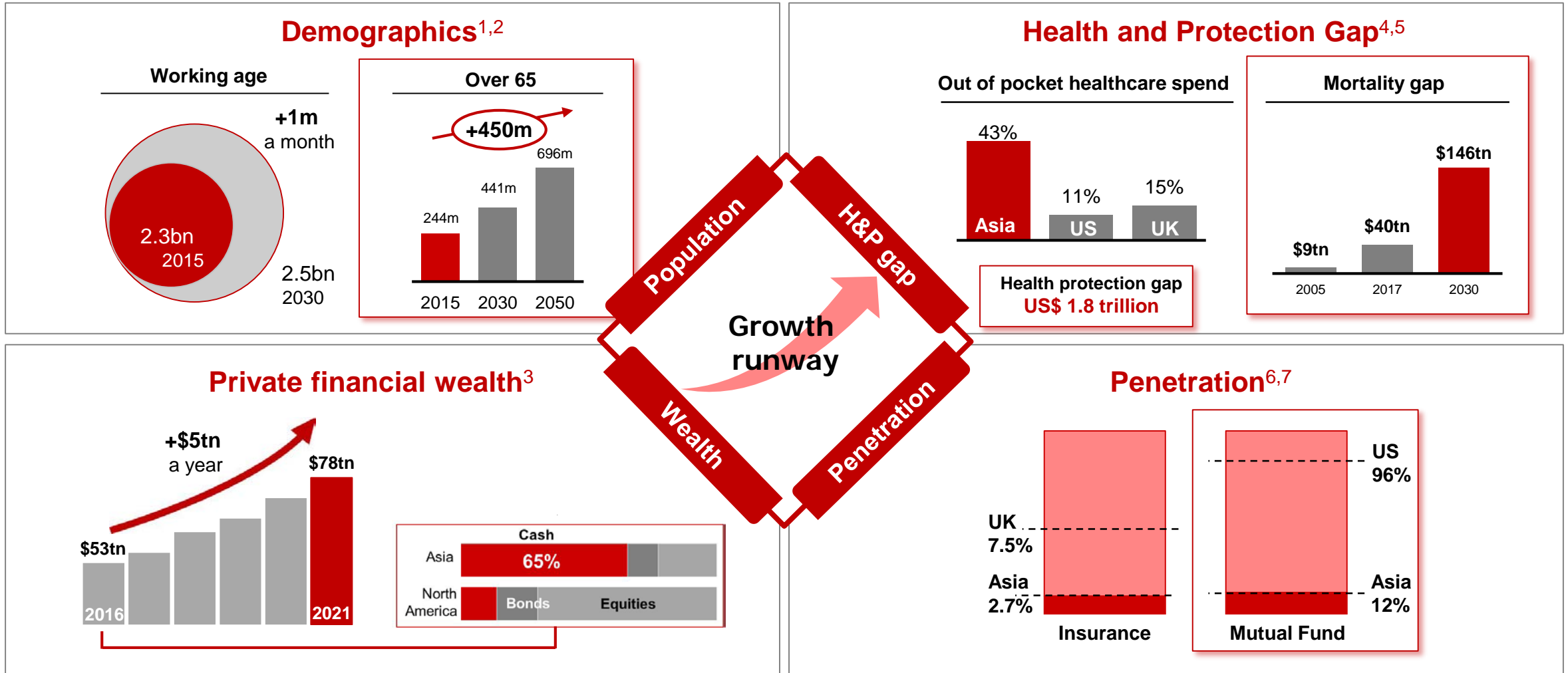
**AI**  


**Accessibility**  


### Shareholders

**Competitive relevance**  

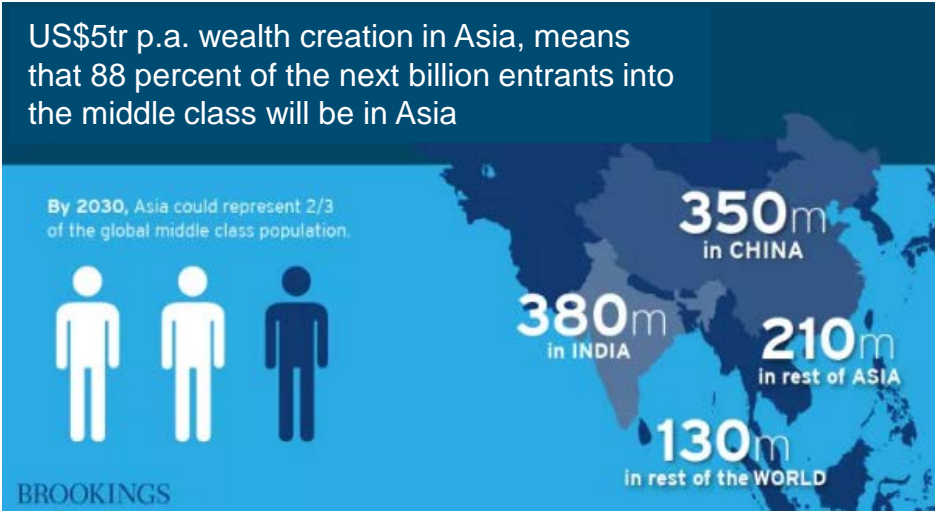

**Sustainable Growth & profitability**  

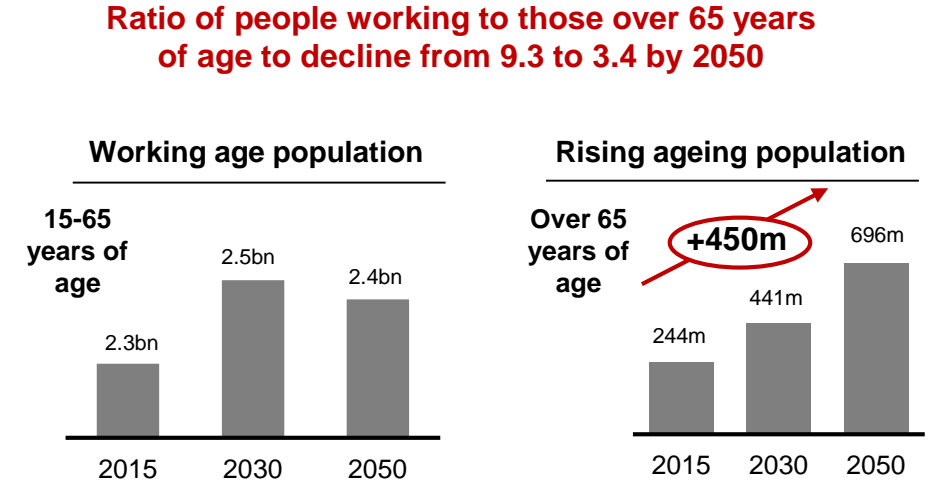
- United Nations, Department of Economic and Social Affairs, Population Division (2015). World Population Prospects: The 2015 Revision, DVD Edition.15.
- Working age population: 15-64 years.
- Source: BCG Global Wealth 2017. Navigating the New Client Landscape.
- World Health Organisation - Global Health Observatory data repository (2013). Out of pocket as % of Total Health Expenditure. Asia calculated as average out of pocket.
- Source: Swiss Re Mortality protection gap in Asia 2018. Numbers are based on PCA footprint and use per capita income of working population as the base unit to calculate the size of the gap.
- Insurance penetration source Swiss Re Sigma 2017. Insurance penetration calculated as premiums in % of GDP. Asia penetration calculated on a weighted population basis.
- Investment Company Institute, industry associations and Lipper.

Rising underinsured middle class and a rapidly ageing population in this region...

Rising and under insured middle class<sup>1</sup>



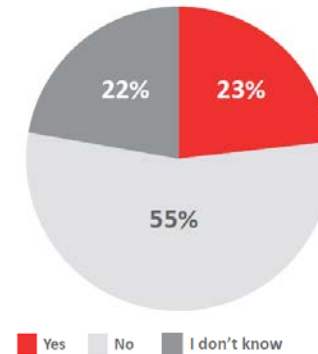
Asia's demographic trends<sup>2</sup>



Is Singapore ready for 100?<sup>4</sup>

**1,100 centenarians** as of 2015, up from 50 in 1990

**900,000 aged over 65** by 2030



**READY FOR 100**

**Only 23% of respondents** say they feel prepared to live to 100, from a health and wellness perspective



Singapore's government policies and cultural fabric encourage fiscal self-reliance. As a result, **78%** of respondents **say they save money**. However, even the most devoted saver will **struggle to meet their needs from 62 to 100**

Rapidly ageing populations<sup>3</sup>



**200 MILLION:**

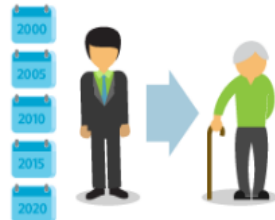
Number of senior citizens in the PRC by 2015

The country now has more senior citizens **than all European Union countries combined**



**16%**

Percentage of persons aged 65 and older in Malaysia by 2050 (vs. 4.8% in 2010)  
China: **26%**  
India: **13%**  
Hong Kong: **34%**



**20 YEARS:**

Time needed for Vietnam to make the transition from aging to aged:

Japan: **26 YEARS**  
Thailand: **22 YEARS**



### Income in retirement



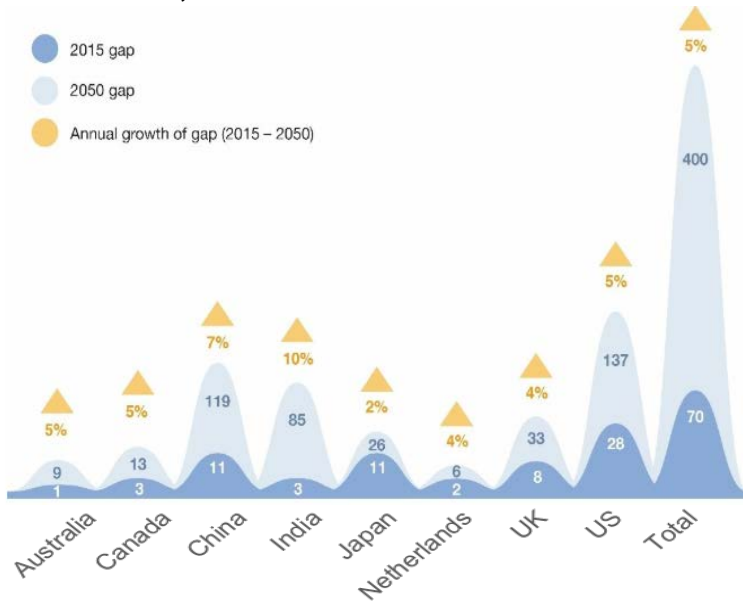
### Healthcare provision



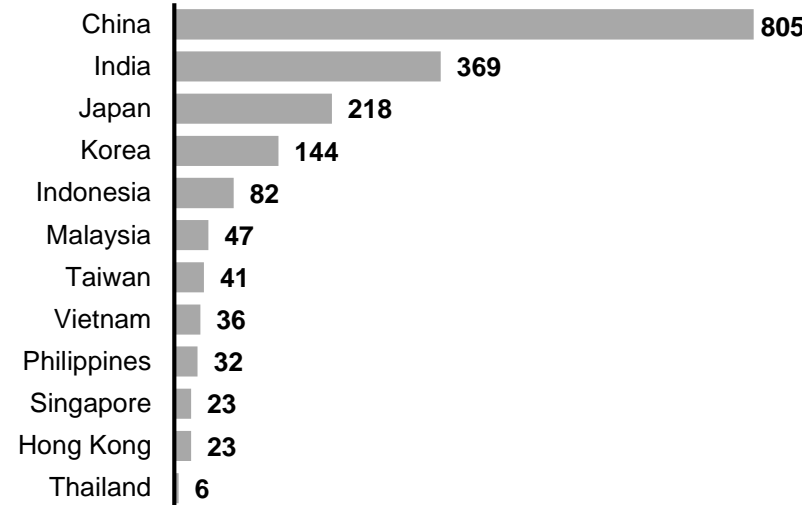
### Elderly care provision



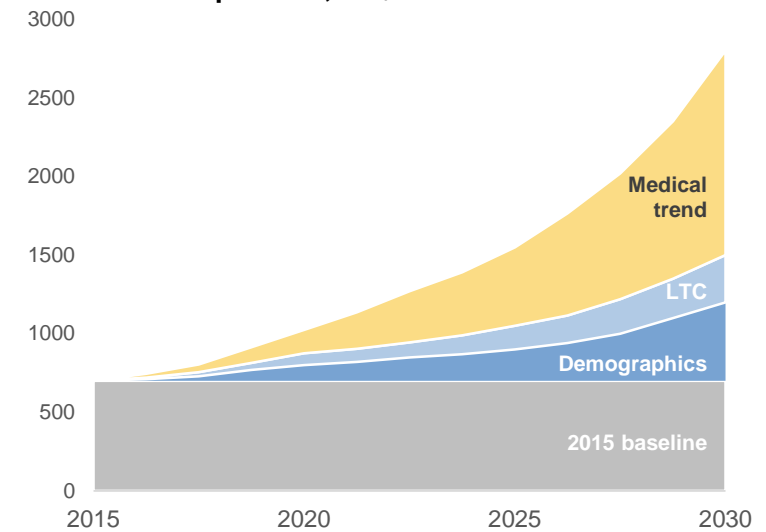
Size of the retirement savings gap, US\$ trillions, 2015 & 2050<sup>1</sup>



Estimated health protection gap of US\$1.8 trillion in 2017, by country<sup>2</sup>



Elderly healthcare expenditure breakdown by cost components, US\$ billion<sup>3</sup>



The current **global pension deficit is around US\$70 trillion (85% of GDP)**, and is expected to rise to US\$400 trillion by 2050. China's funding gap is US\$11 trillion, expected to rise to US\$119 trillion; India's funding gap is US\$3 trillion expected to rise to US\$85 trillion.

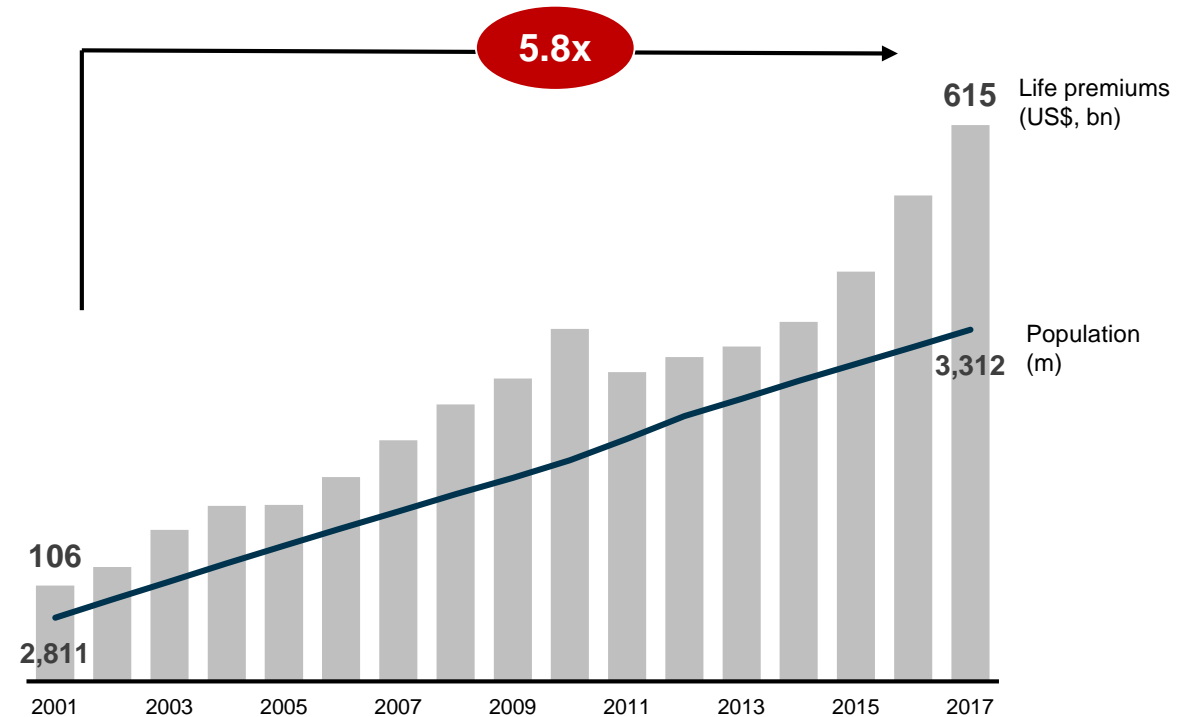
The **health protection gap in 12 Asian markets is estimated at US\$ 1.8 trillion in 2017 (7.4% of GDP)**. More than 40 million households in Asia could not access treatment due to a lack of financial resources.

The **cumulative elderly healthcare expenditure from 2015 to 2030 is estimated at US\$20 trillion**, which represents approximately half of the total healthcare expenditure during that period.

### Demand drivers

- Underlying structural trends drive demand
- Risk off proposition
- Increasing consumer awareness
- Lack of social safety net

### Life premiums<sup>1</sup>

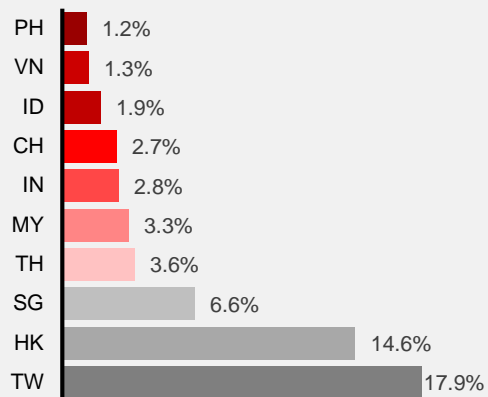


1.3%

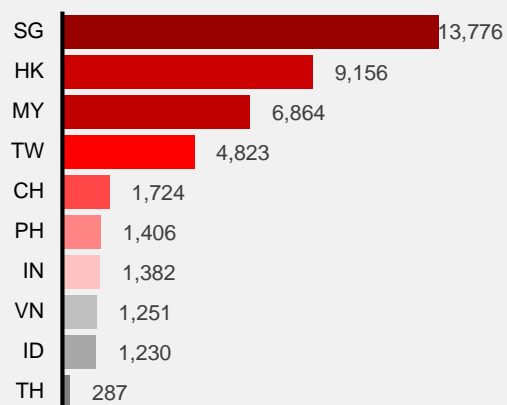
Life penetration<sup>2</sup> (% GDP)

2.7%

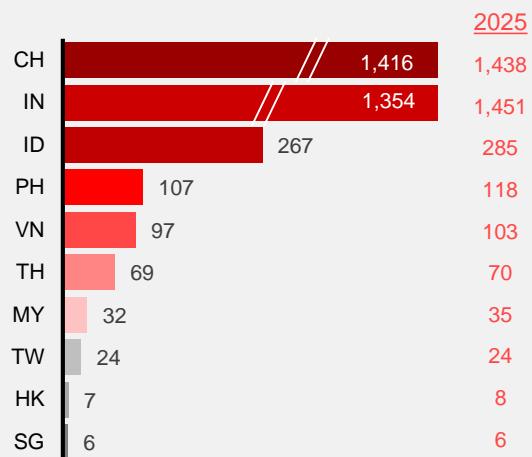
### Insurance penetration<sup>2</sup> (2017, %)



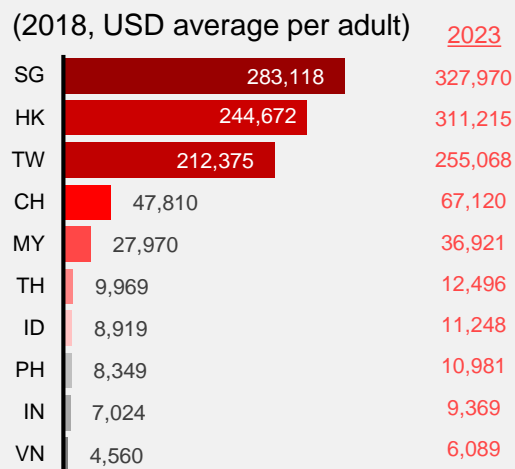
### Health protection gap per household<sup>3</sup> (2017, USD)



### Population<sup>1</sup> (2017,m)

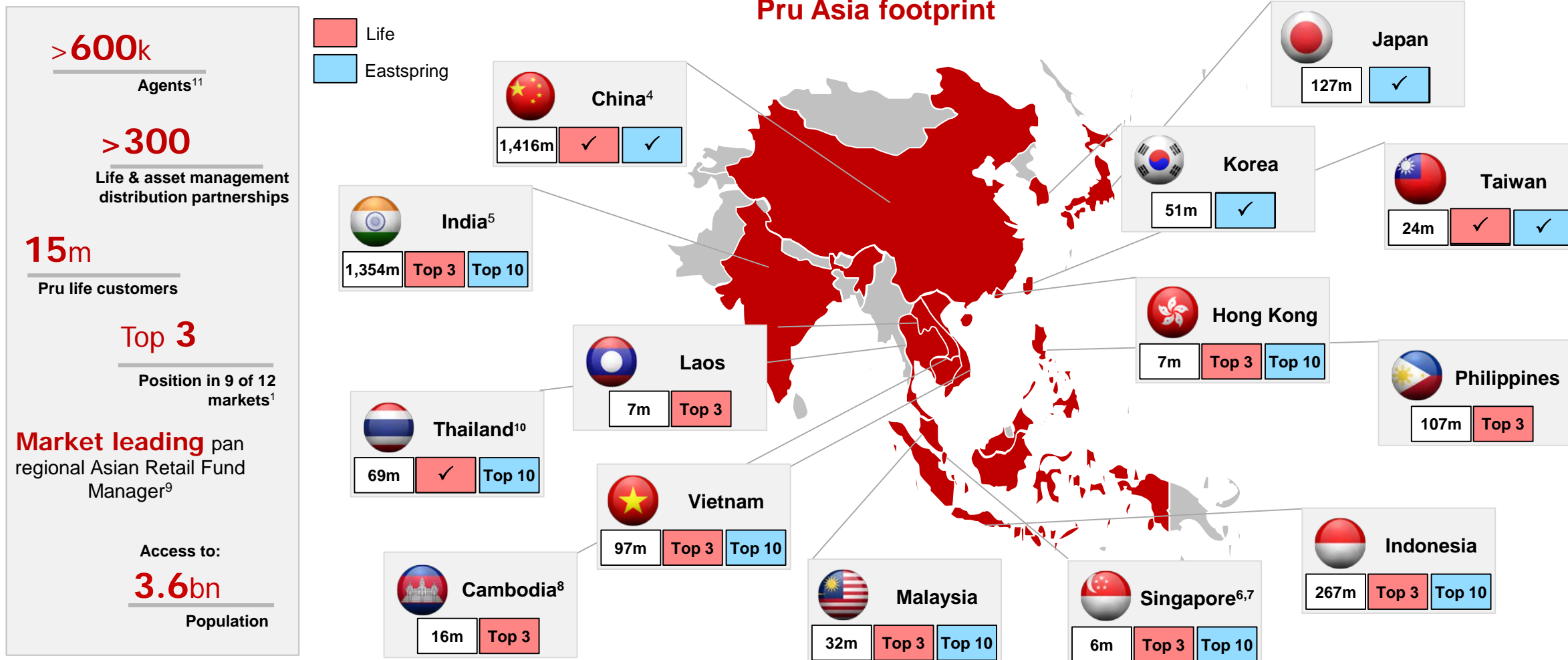


### Wealth<sup>4</sup>



**Significant country level  
growth opportunities**





**> 600k**  
Agents<sup>11</sup>

**> 300**  
Life & asset management distribution partnerships

**15m**  
Pru life customers

**Top 3**  
Position in 9 of 12 markets<sup>1</sup>

**Market leading** pan regional Asian Retail Fund Manager<sup>9</sup>

Access to:  
**3.6bn**  
Population

1. Top 3 in 9 of 12 countries. As per Group's FY2017 disclosures. Source: Based on formal (Competitors' results release, local regulators and insurance associations) and informal (industry exchange) market share data. Ranking based on new business (APE or weighted FYP depending on the availability of data).  
 2. Market penetration: Swiss Re – based on insurance premiums as a percentage of GDP in 2017 (estimated).  
 3. United Nations, Department of Economic and Social Affairs, Population Division, World Population Prospects 2017 Revision.  
 4. Ranking amongst foreign JVs.  
 5. Ranking amongst private players, share among all players on a fiscal year basis excluding Group business.

6. Excludes Group business.  
 7. Singapore includes onshore only, excluding Eldersfield and DPS.  
 8. First year gross premiums.

9. Source: Asia Asset Management – Fund Manager Surveys. Based on assets sourced in Asia ex- Japan, Australia and New Zealand. Ranked according to participating firms only.  
 10. Eastspring has a presence in 11 markets across the region following its recent acquisition of TMBAM in Thailand. Sales offices in UK, US and Luxembourg.  
 11. As at June 2018.

### Quality

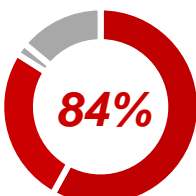
Regular premium<sup>4</sup>  
(% APE)



Retention rate<sup>4</sup>

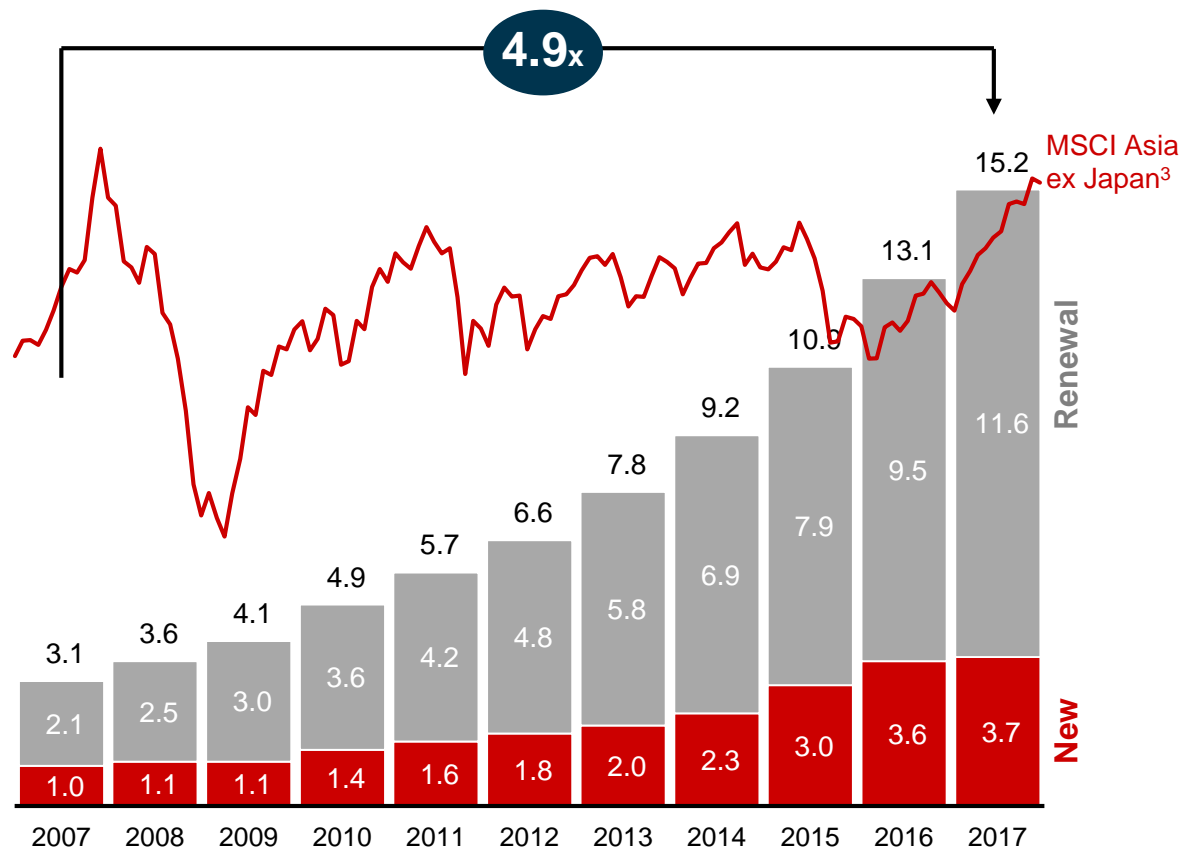


Sources of earnings<sup>5,7</sup>  
(insurance margin and fee)



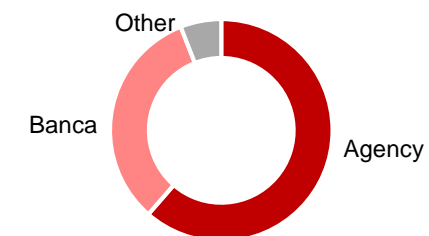
### Resilience

Life weighted premium income (£'bn)<sup>1,2</sup>

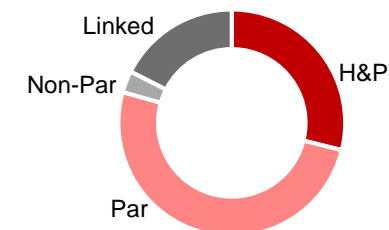


### Diversification

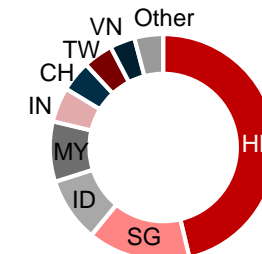
Distribution<sup>4</sup> (% APE)



Product<sup>4</sup> (% APE)



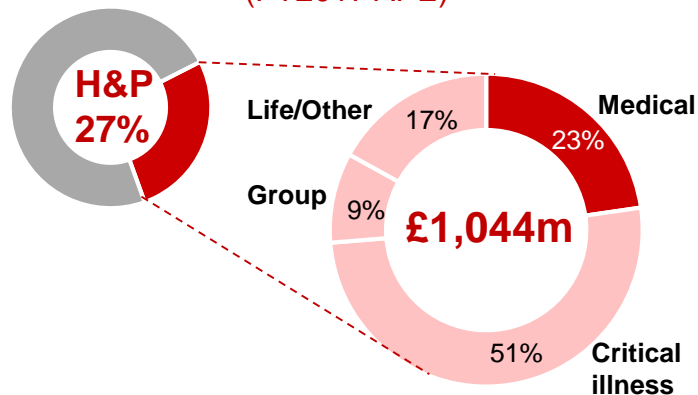
Life weighted premium<sup>6</sup> (%)



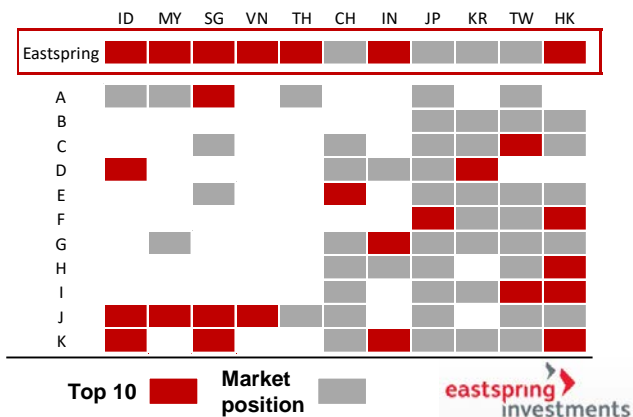
1. Weighted premium income comprises gross earned premiums at 100% of renewal premiums, 100% of first year premiums and 10% of single premiums.  
 2. Comparatives have been stated on a constant exchange rate basis and have been restated to exclude sales from Korea Life, Japan Life and Taiwan Agency. 2014 excludes intra-group reinsurance contracts between the UK and Asia with-profits businesses.  
 3. Source: Datastream.  
 4. Results based on 9 month period ending 30 September, 2018.

5. 86% Insurance margin, with-profits and fee income including Eastspring. Other comprises spread income and expected return on shareholder assets.  
 6. Results based on 2017 FY data.  
 7. Results based on 2018 HY data.

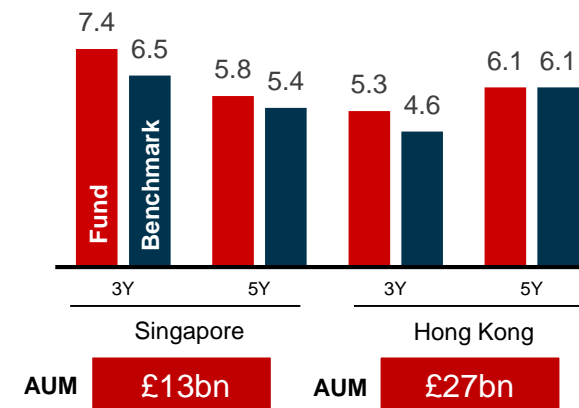
### Individual medical reimbursement<sup>1</sup> (FY2017 APE)



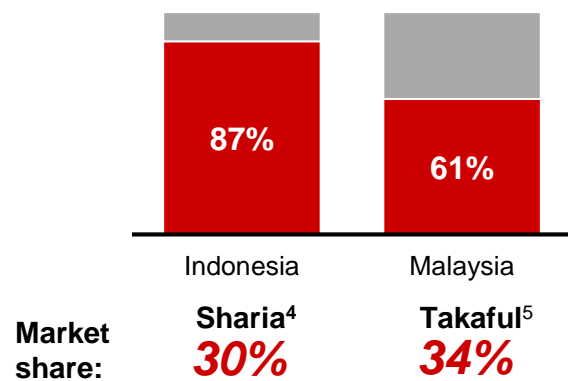
### Eastspring<sup>2</sup>



### Par Fund<sup>3</sup>



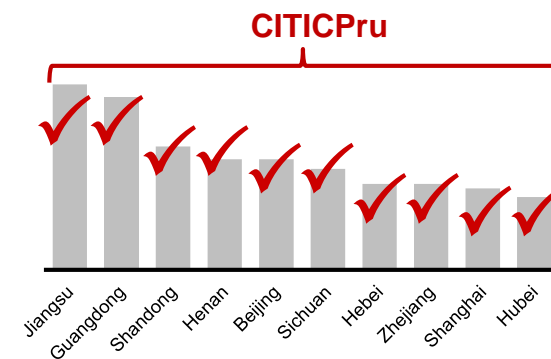
### Specialist capability (Muslim % of population)



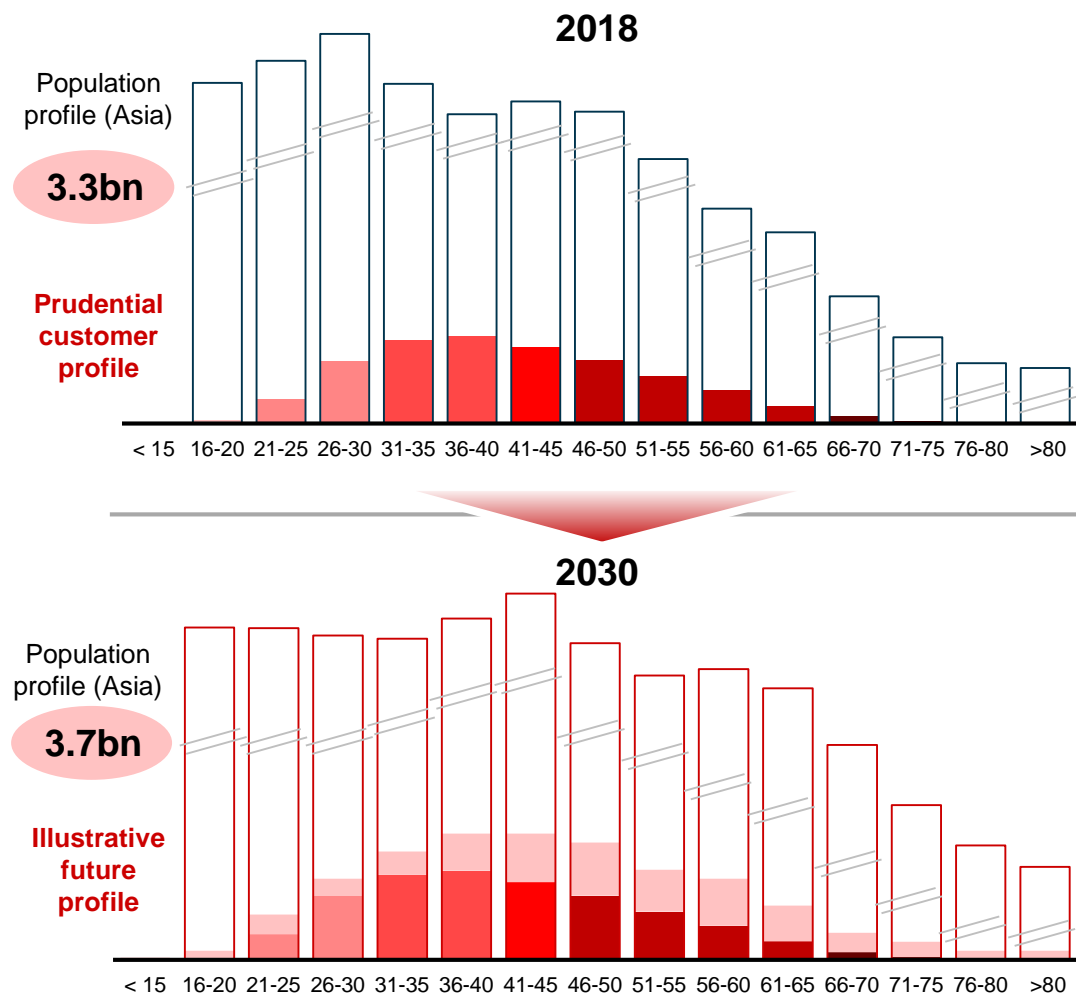
### India<sup>6</sup>



### China (Top 10 provinces, GWP)



### Prudential life customer & population by age<sup>1,2</sup>



### Repeat sales<sup>3</sup>

China	49%
Hong Kong	35%
Indonesia	54%
Malaysia <sup>4</sup>	55%
Singapore	58%

### Customer segments

*Juvenile*  
(Savings and Education)

*Young Adult*  
(Savings and Protection)

*Young Family / Family*  
(Protection and Savings)

*Retirees*  
(Legacy Planning and Protection)

*HNW / SME*

**eduCARE**, designed for parents to save for their children's future education  
**Qing Ying Ling Hang** long term saving for child education  
**Evergreen Growth Saver Plus II** wealth accumulation over long term

**PRUhealth CI Multiple Prestige, CI Extended Care** enhanced critical illness products  
**PRUtriple protect**, comprehensive coverage and protection against major illnesses  
**PruLady** health coverage for women

**PRUlink Generasi Baru & PRUlink Syariah Generasi Baru**, enhanced ILP to allow greater protection and investment  
**PRUactive saver**, a new insurance savings plan to allow flexible premium for tailored customer needs

**PRUlife Monthly Income Plan** financial protection plan

**Tax deferred pension pilot**, 4 new products launched

**PruPrime** healthcare, our first 'as charged' medical plan

**OPUS**, new propositions targeting HNW customers

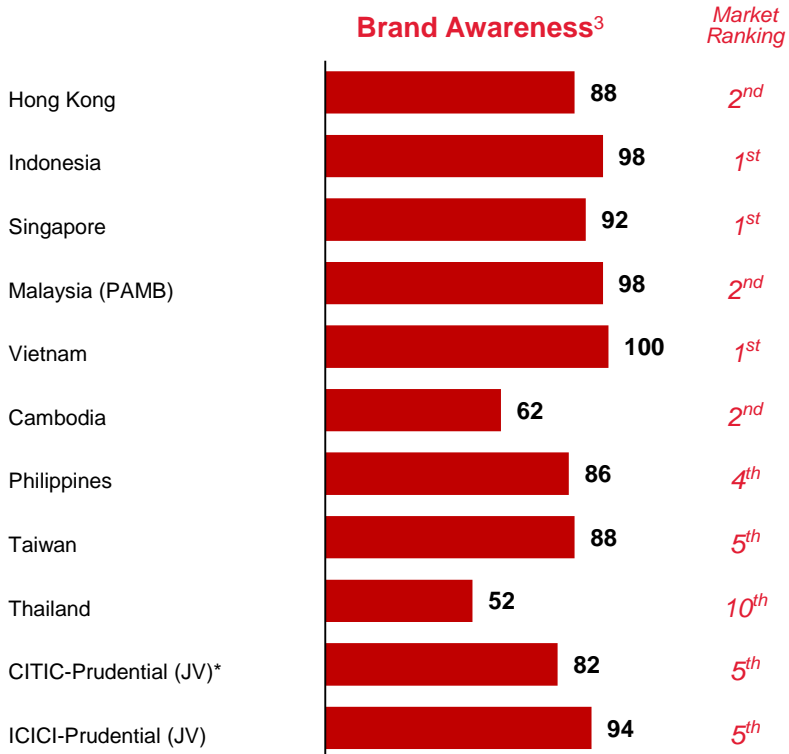
**PRUworks**, one-stop portal supporting SMEs



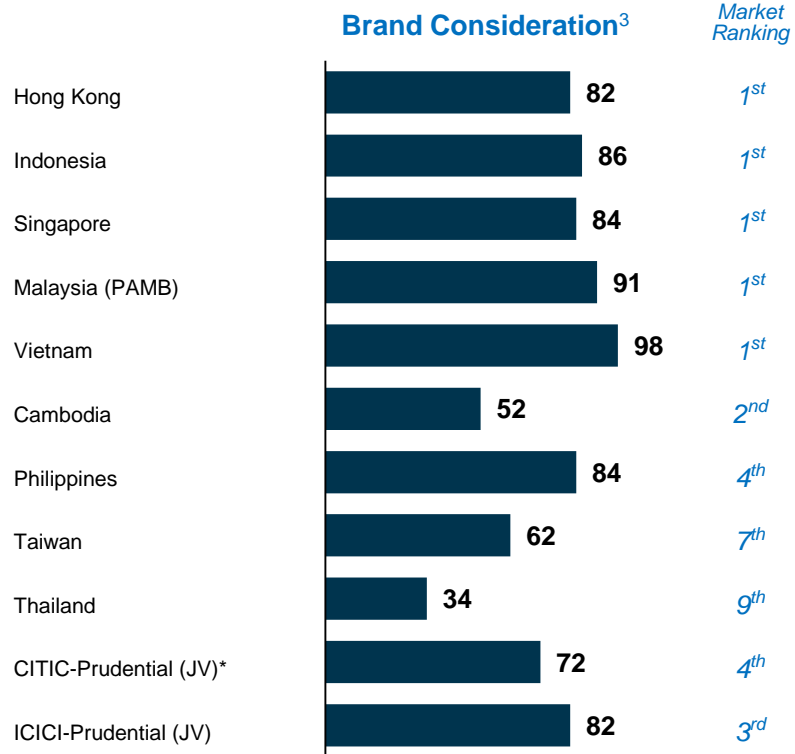
### Insurance<sup>1</sup>

Leading in brand awareness & consideration in 6 markets

#### Awareness



#### Consideration



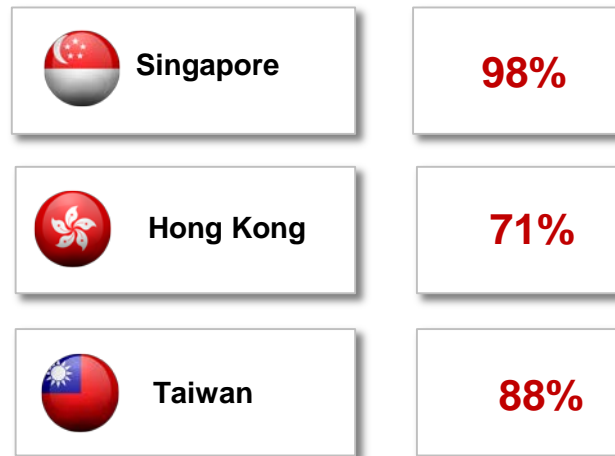
### Eastspring<sup>2</sup>

Strong brand awareness



**86%** Asia Brand Awareness Amongst Fund Selectors (% prompt)

Prompted

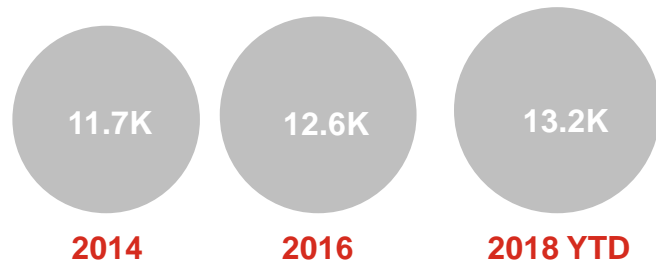


# Asia

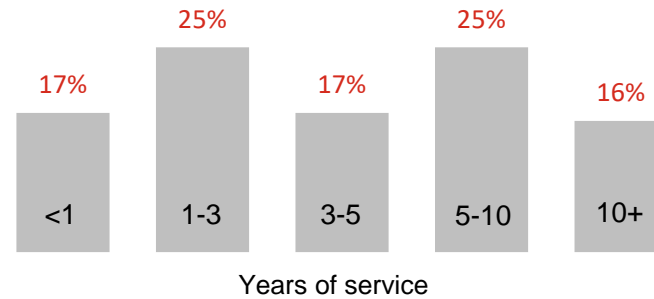
## Talented and highly diverse workforce



### Headcount<sup>1</sup>



### Years of Service



### Demographics

**35**  
Average Age

**63%**  
Millennials

\*Millennial: born between 1981 - 1995

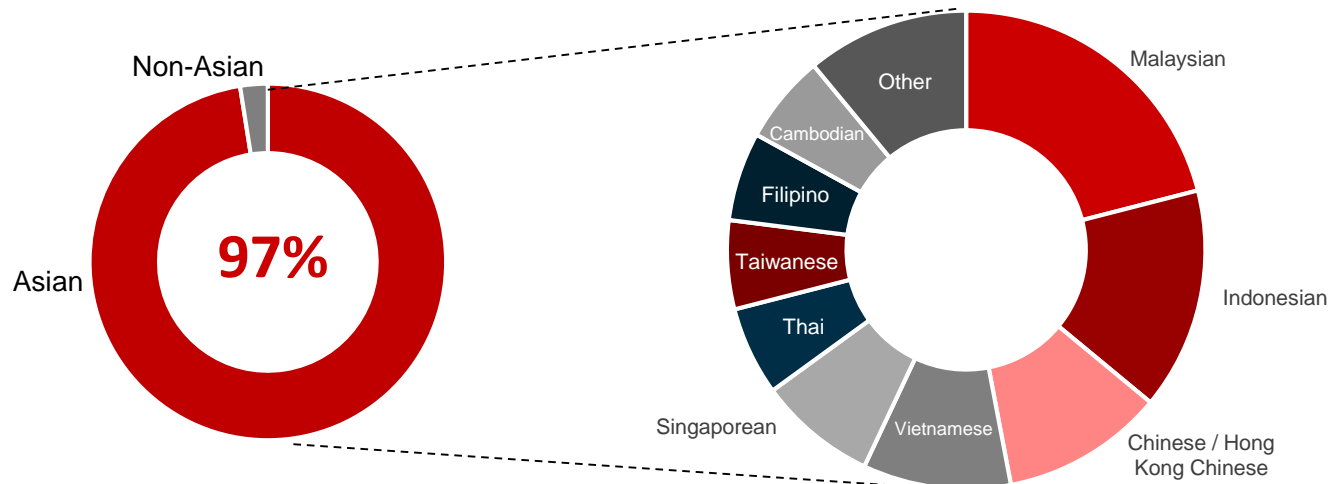
**26%**  
People Managers

### Gender Profile

Whole Workforce



### Ethnicity – over 40 nationalities

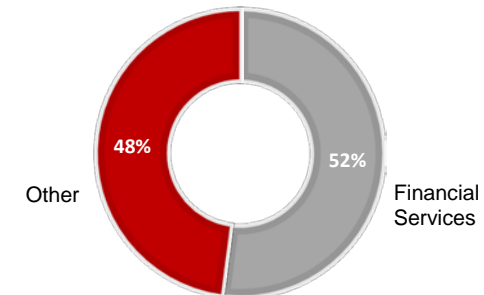


1. Excludes Joint Ventures.

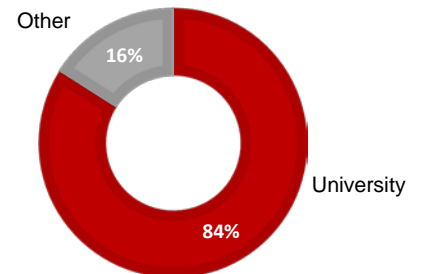
### 2018 New Hire Profile

2,300 new hires so far in 2018

#### INDUSTRY BACKGROUND

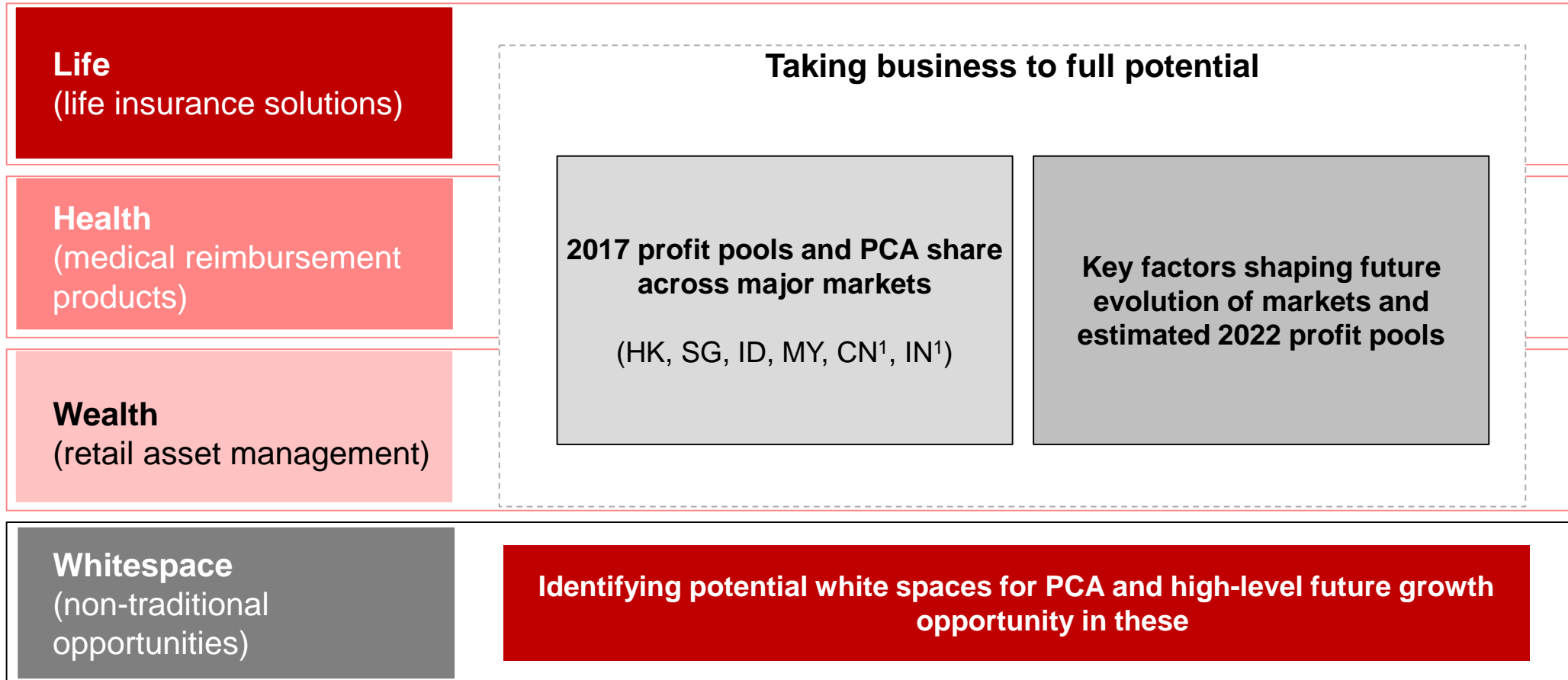


#### EDUCATION BACKGROUND



# Strategic assessment completed

## Future market evolution



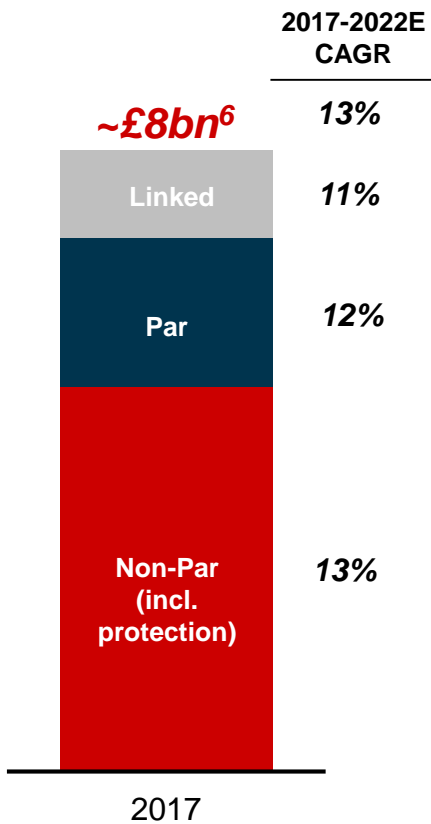
1. JV market only.

# Life insurance opportunity

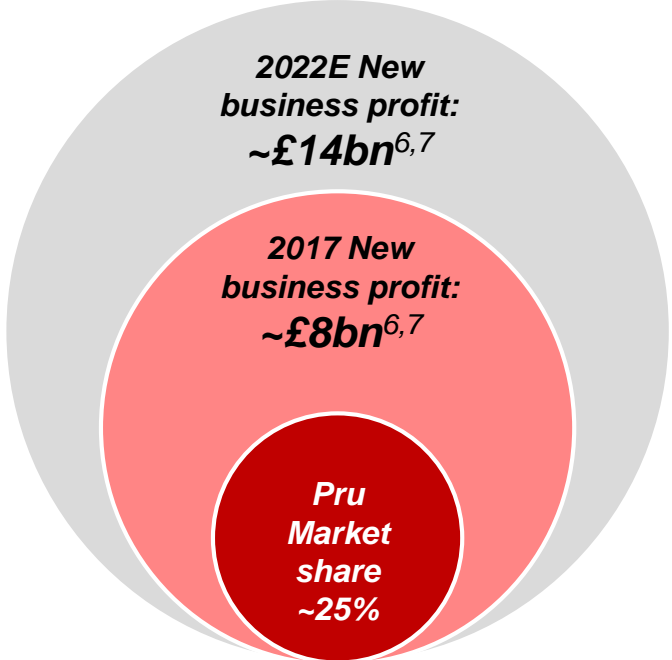
Profit pools to rise strongly given need for protection and demographic trends



## 2017 Life Insurance EEV basis new business profit<sup>1</sup> (£'bn) (HK, SG, ID, MY, CH<sup>2</sup>, IN<sup>3</sup>)



**Drivers of growth**  
 Rising underinsured middle class  
 Ageing population  
 Significant mortality gap  
 Lack of social safety-net



Country	Penetration % of GDP <sup>4</sup>	2017-2022 CAGR <sup>5,6</sup>	Key drivers
	14.6%	~9%	<ul style="list-style-type: none"> <li>Government stimulus</li> <li>Mainland China flows</li> </ul>
	2.7%	~25%	<ul style="list-style-type: none"> <li>Significant protection/retirement needs</li> <li>Increasing affluence</li> </ul>
	1.9%	~11%	<ul style="list-style-type: none"> <li>Largest population in SEA</li> <li>Rapidly growing middle class</li> </ul>
	6.6%	~6%	<ul style="list-style-type: none"> <li>Fast growing HNW segment</li> <li>Significant protection needs</li> </ul>
	3.3%	~5%	<ul style="list-style-type: none"> <li>Takaful demand</li> <li>Government stimulus</li> </ul>
	2.8%	~18%	<ul style="list-style-type: none"> <li>Rapidly growing middle class</li> <li>Strong economic momentum</li> </ul>

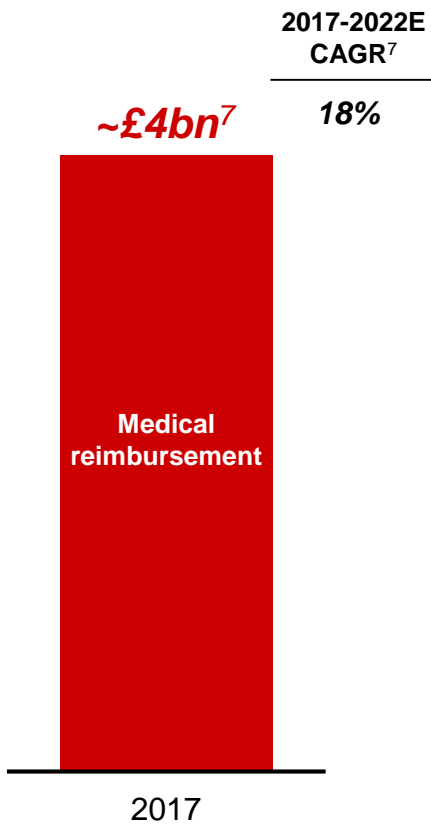
1. Exclude new business profit relates to medical business.  
 2. For China only foreign players considered for the analysis.  
 3. For India only private players considered for the analysis.  
 4. Market penetration: Swiss Re insurance premium as % of GDP.

5. CAGR based on NBP projections.  
 6. Source Proprietary research/Bain Analysis (2018).  
 7. New Business profit for HK, SG, ID, MY, CH & IN.

# Health opportunity

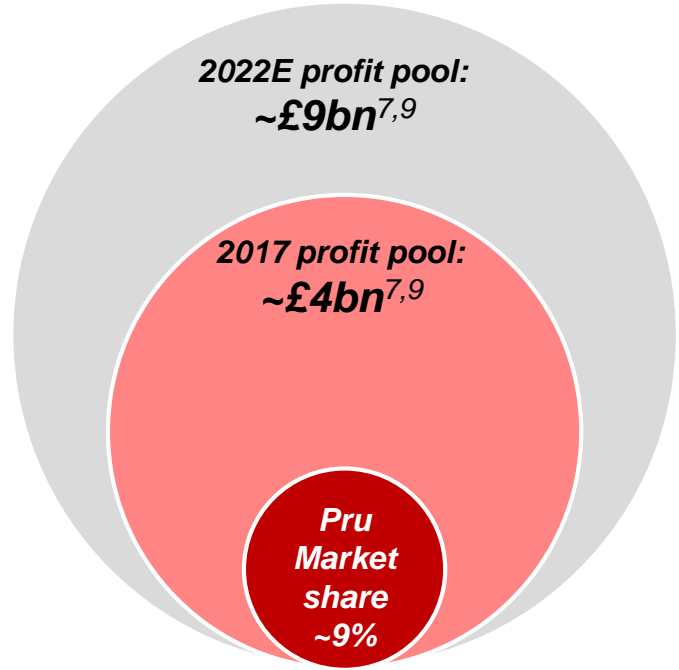
Profit pool to double due to increased consumer demand

**2017 Health medical reimbursement<sup>1</sup> profit pool<sup>2</sup>**  
(£'bn) (HK, SG, ID, MY, CH<sup>3</sup>, IN<sup>4</sup>)



**Drivers of growth**

- Large medical protection gap
- Demand for early stage/multi-pay products
- Rise of non-communicable diseases
- High medical inflation



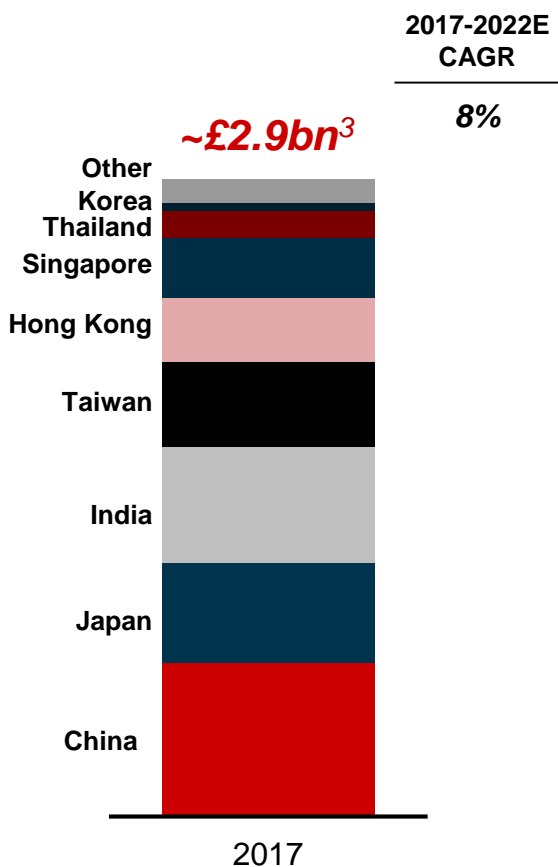
Country	Penetration <sup>5</sup>	2017-2022 CAGR <sup>7,8</sup>	Key drivers
Japan	1.0%	~9%	<ul style="list-style-type: none"> <li>Launch of Voluntary Health Insurance Scheme</li> <li>Growing focus on quality</li> </ul>
China	0.2%	~30%	<ul style="list-style-type: none"> <li>Government support of private health insurance</li> <li>Increasing demand for quality healthcare services</li> </ul>
Indonesia	0.4%	~13%	<ul style="list-style-type: none"> <li>Increasing awareness of health insurance from introduction of BPJS<sup>6</sup></li> </ul>
Singapore	0.8%	~10%	<ul style="list-style-type: none"> <li>Rising demand for insurance due to increased healthcare costs</li> <li>Increasing life expectancy</li> </ul>
Malaysia	0.4%	~12%	<ul style="list-style-type: none"> <li>Strong Takaful demand</li> <li>Increased affluence in households</li> </ul>
India	0.2%	~18%	<ul style="list-style-type: none"> <li>Increasing awareness of health insurance from introduction of Universal Health Insurance Scheme</li> </ul>

1. Include hospital cash type of products  
 2. Based on estimated 2017 annual profit after tax multiplied by a factor of 4  
 3. For China, only foreign segment is included  
 4. For India, government segment is excluded, only private is reflected in the numbers  
 5. Health medical reimbursement gross written premium as % of GDP  
 6. Badan Penyelenggara Jaminan Sosial (BPJS), Indonesia's Social Security Organising Body  
 7. Source Proprietary research/Bain Analysis (2018)  
 8. CAGR based on GWP  
 9. Profit pool for HK, SG, ID, MY, CH & IN

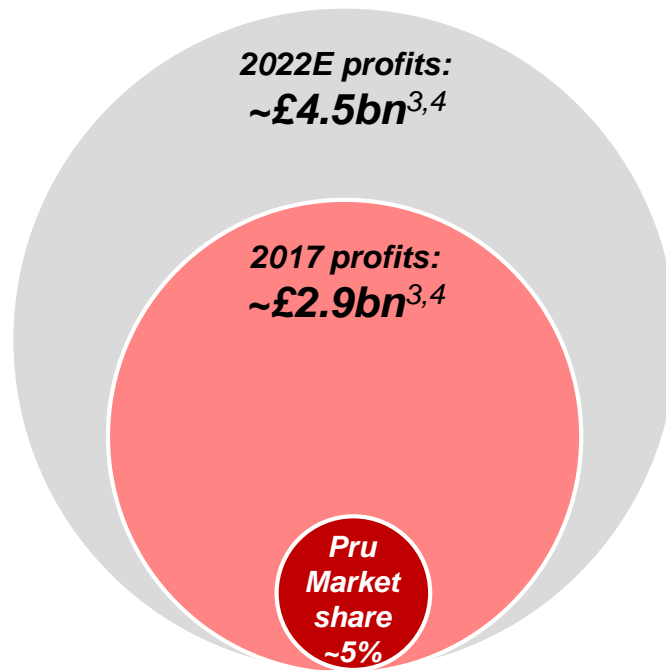
# Wealth opportunity

Asia will account for 22% of Global AUM and 75% of global flows by 2022

## Asia retail into Asia 2017 post-tax profit pool (£'bn)



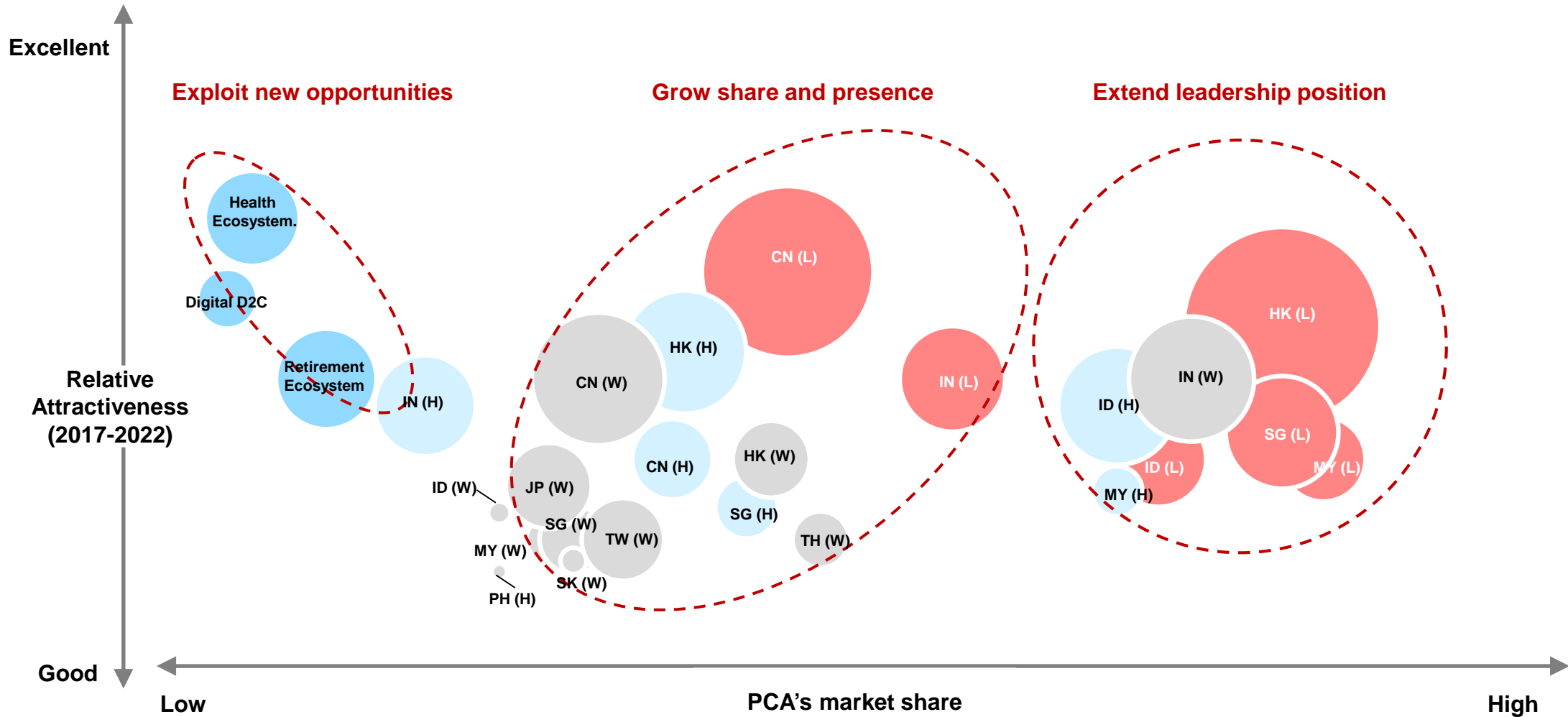
**Drivers of growth**  
 Strong wealth creation momentum  
 Shift from deposits to investments  
 Conducive regulatory regimes



	Penetration <sup>1</sup>	2017-2022 CAGR <sup>2</sup>	Key drivers
	26%	~9%	• Large offshore investment and highly affluent onshore market
	8%	~13%	• Growth in capital markets, MSCI inclusion and greater access for foreign asset managers
	19%	~4%	• Demographic transition and need for high-yields investment to fund retirement
	7%	~17%	• Growth of capital markets and influx of individual investors
	36%	~5%	• Global-Asia gateway for investors to tap the region's growth
	26%	~5%	• Demand for more customized wealth management planning
	33%	~6%	• Strong economic fundamentals and investor appetite for foreign assets
	23%	~14%	• Fast-growing savings and investment needs

1. FY17 mutual fund AUM as % of GDP  
 2. AUM growth CAGR  
 3. Source Proprietary research/Bain Analysis (2018)  
 4. Profit pool for HK, SG, ID, MY, CH & IN

Relative Attractiveness vs PCA's market share<sup>1,2</sup>



1. Note: China (life and health) is foreign players only; India (life, health) is private players only; Health country bubbles size, i.e. 2022E market profit, is based on estimated best-in-class margins and calculated for profitable segments only (individual for all countries; group for HK, SG; UL for ID/MY).  
 2. Source Proprietary research/Bain Analysis (2018).



### Extend leadership position

- Optimise and enhance distribution
- Expand to adjacent segments and broaden/evolve product services
- Deepen customer engagement and touch points
- Transform and digitize customer fulfillment

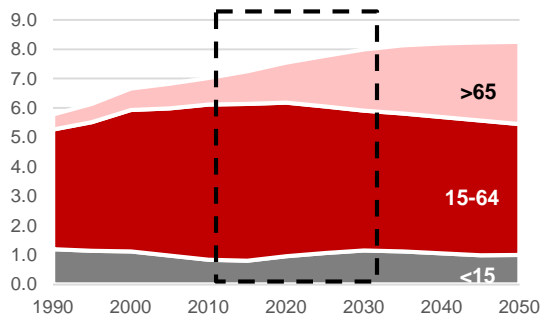
### Grow share and presence

- Extend distribution and drive efficiencies
- Broaden life and wealth offering and strengthen position in health
- Leverage technology to enhance effectiveness and service quality
- Capture opportunities to accelerate

### Pursue new opportunities

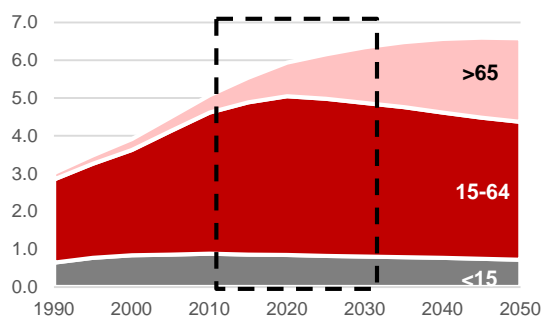
- Digital value added services working with non-traditional partners
- Deploy existing strengths (sharia, medical) to new markets and segments (ex-Asia inbound AM flows)
- Add direct to consumer offering
- Develop retirement solutions

### Established, affluent, ageing<sup>1,2,3</sup>



Hong Kong

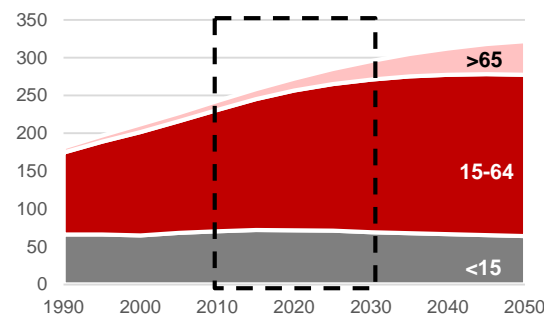
Insurance penetration	<b>14.6%</b>	Health gap per household <sup>4</sup>	<b>\$9,156</b>
-----------------------	--------------	---------------------------------------	----------------



Singapore

Insurance penetration	<b>6.6%</b>	Health gap per household <sup>4</sup>	<b>\$13,776</b>
-----------------------	-------------	---------------------------------------	-----------------

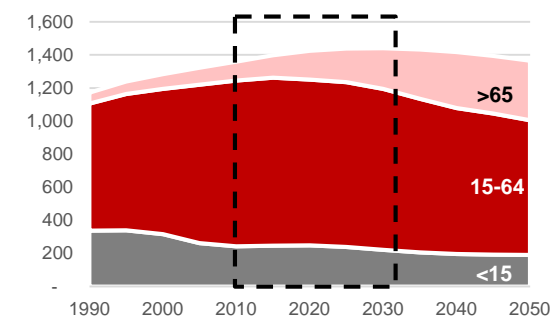
### Nascent, aspiring, young<sup>1,2,3</sup>



Indonesia

Insurance penetration	<b>1.9%</b>	Health gap per household <sup>4</sup>	<b>\$1,230</b>
-----------------------	-------------	---------------------------------------	----------------

### Developing, growing middle class<sup>1,2,3</sup>



China

Insurance penetration	<b>2.7%</b>	Health gap per household <sup>4</sup>	<b>\$1,724</b>
-----------------------	-------------	---------------------------------------	----------------

Understanding individual country demand drivers

Adapting country level product offerings

Growing importance of Health and Protection

Working with industry bodies to build retirement solutions

# Hong Kong

## Market leading business

### Hong Kong<sup>1</sup>



**>19,800** agents  
**>30%** Agency market share (HY18)  
**>3,700** MDRT

**+19%** NBP  
 Total APE **+15%**, MLC<sup>5</sup> APE **+23%** (discrete Q3)

**28%** Mainland market share (28% 1H17)

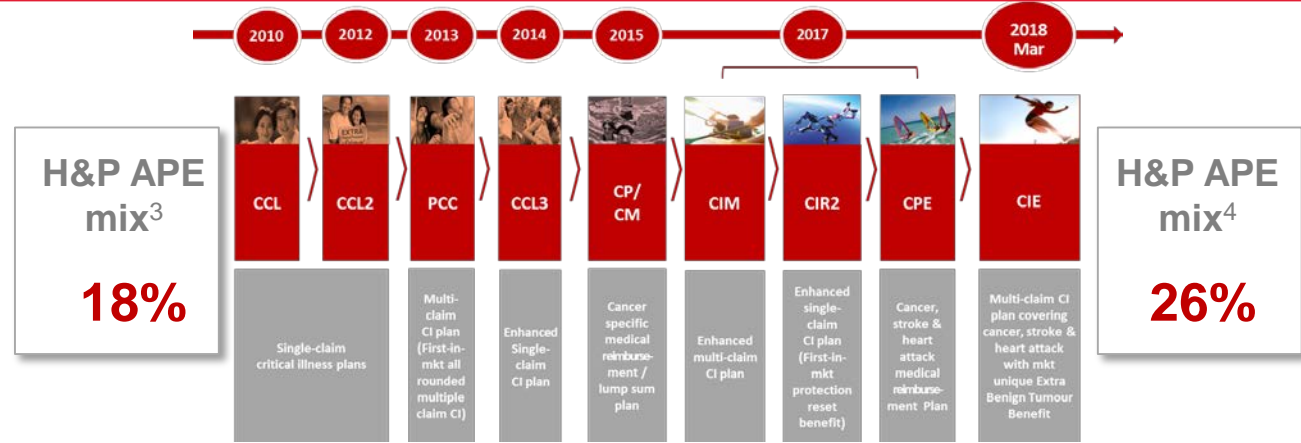
**>97%** Retention Ratio<sup>4</sup>  
**98%** Regular Premium

**>1m** Customers  
**>2m** Policies

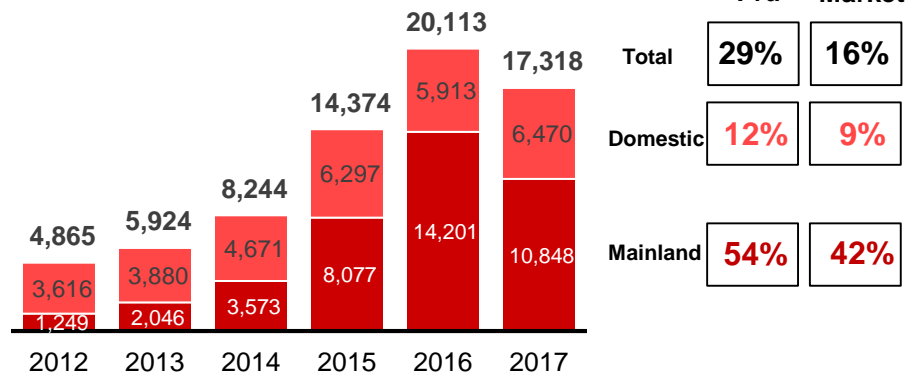
**PRUstant:** 3mins claims submission

First to market **Hospital to Prudential**

### Continuously innovating CI offerings - Leader in the growing health & protection segment



### Prudential APE by customer segment (HK\$m)

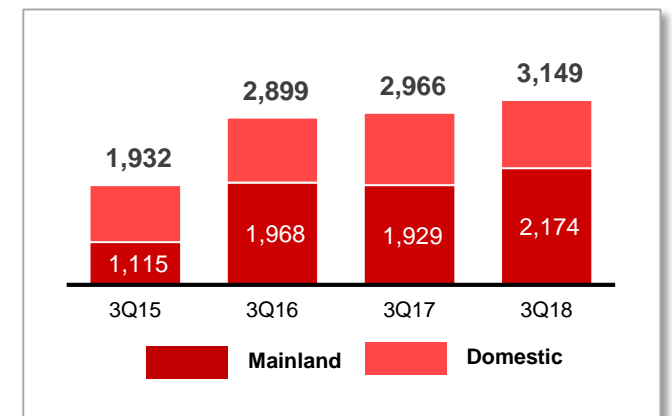


### CAGR

Pru Market<sup>2</sup>

Total	<b>29%</b>	<b>16%</b>
Domestic	<b>12%</b>	<b>9%</b>
Mainland	<b>54%</b>	<b>42%</b>

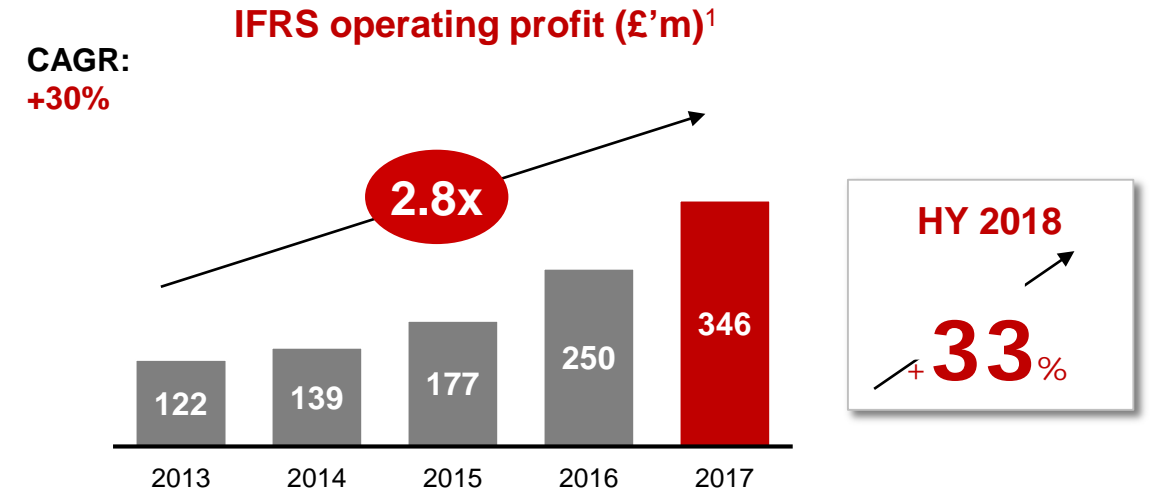
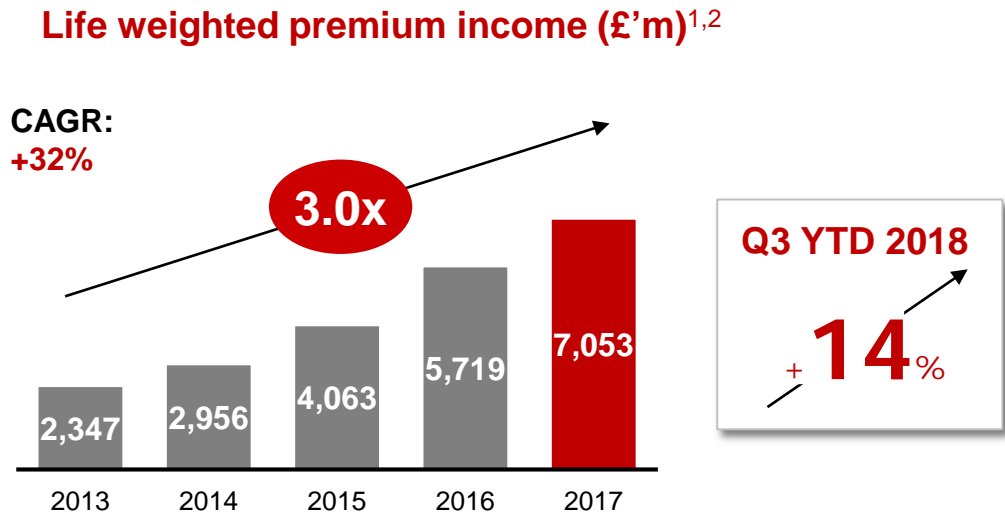
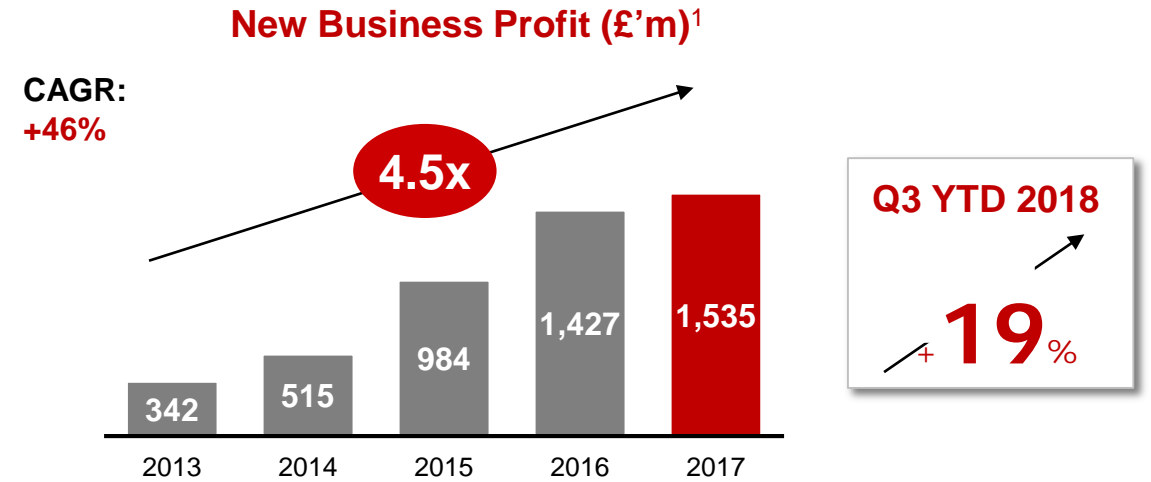
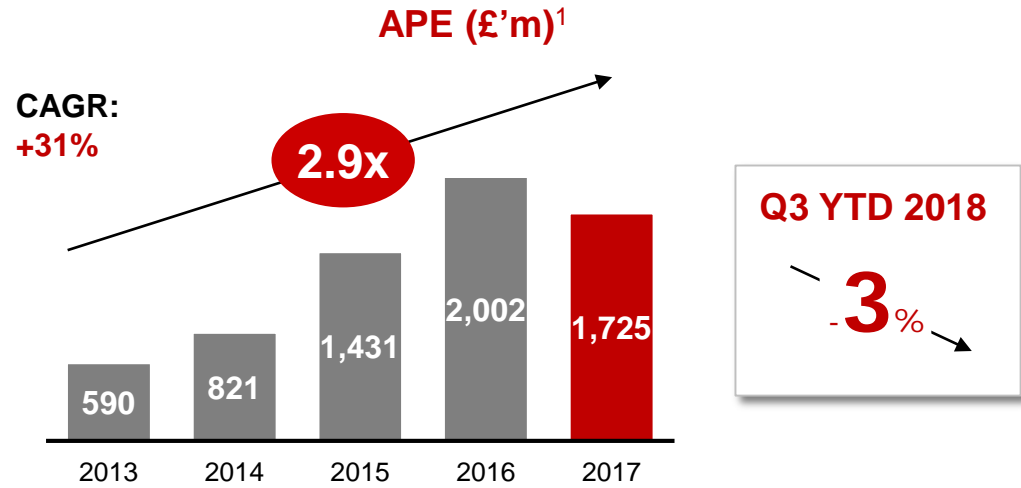
### Prudential H&P APE by customer segment (HK\$m)



1. Data as at 3Q YTD 2018 unless stated otherwise.  
 2. Market CAGR based on IA/OOI data Onshore and Offshore.  
 3. As of FY2010.  
 4. As of FY2017.  
 5. MLC stands for Mainland Chinese.

# Hong Kong

Strong growth momentum across all profit pools



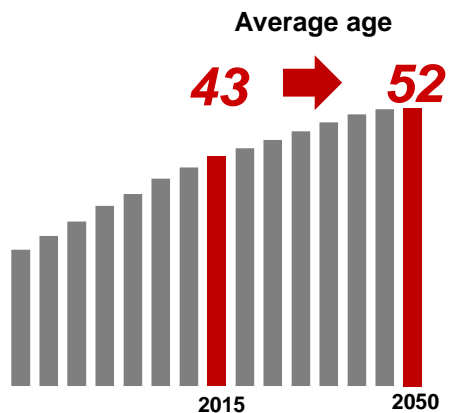
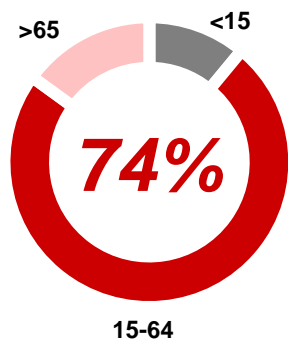
1. Comparatives have been stated on a constant exchange rate basis.  
 2. Weighted premium income comprises gross earned premiums at 100% of renewal premiums, 100% of first year premiums and 10% of single premiums.

# Hong Kong

## Drivers of demand

Domestic

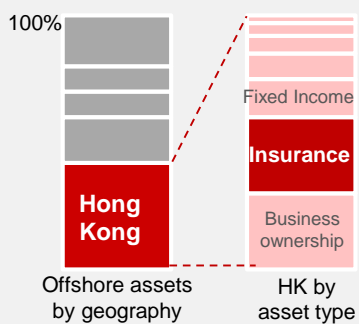
### Ageing population<sup>1</sup>



46m  
Mainland  
visitors pa

Mainland

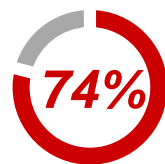
### China Offshore investment<sup>2</sup>



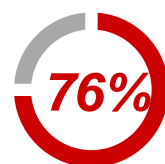
### High demand for insurance<sup>3</sup>

#### Attractiveness for buying:

Life insurance



Medical insurance



### Increasing wealth, high insurance awareness coupled with need for retirement planning and health protection fuel demand

Retirement Savings



Social Security



Mandatory Savings & Corporate Pensions



Voluntary Savings & Insurance

Health and Protection Needs



Ageing but inadequately covered HK population



HKSAR Govt. medical funding reform



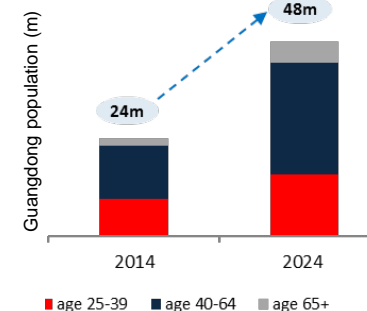
Medical inflation

### Mainland Chinese visitors seeing the benefits of purchasing HK life insurance

#### Attractiveness of HK Policies

- ✓ Currency
- ✓ Asset class
- ✓ Brand
- ✓ Customer Service

#### Increasing Target Customer Base



#### Government Initiatives

- ✓ INSURANCE CONNECT
- ✓ INFRASTRUCTURE



HIGH SPEED RAIL

HK-ZHUHAI-MACAU BRIDGE

1. UN population forecast by age, total population chart excludes population 0-15. Medium variant forecast.  
2. Source: Proprietary research/Bain Analysis (2018).  
3. Source: Nielsen, MCH Sentiment Tracker Q3 2018.

### Extend leadership position

- Continuous proposition innovation and target higher customer holdings through development of modular solutions
- Improve agency productivity and optimise value from existing partnerships
- Leverage Mainland China opportunity
- Transform and digitize customer fulfillment

### Grow share and presence

- Participate in Government voluntary savings & insurance initiatives and strengthen position in medical
- Shift product mix to include retirement solutions

### Pursue new opportunities

- Provide digital value added services working with non-traditional partners
- Respond to Greater Bay / Insurance Connect developments

# Singapore

Strong performance leveraging its market position



## Singapore<sup>1</sup>

**Largest** agency force  
**>4,900**

**>900k** customers

**Optimising** strategic partnerships

**+8%** APE  
**+24%** NBP

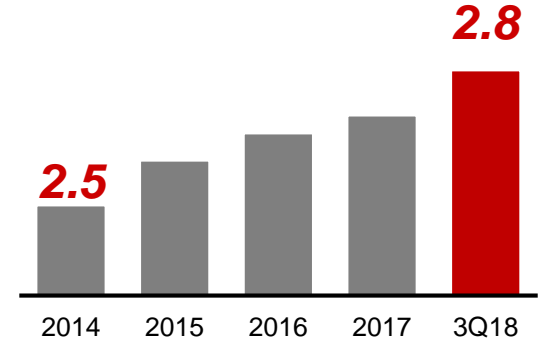
**88%** PruShield e-renewals / e-statements  
**50%** e-contracts

## Position<sup>2</sup>

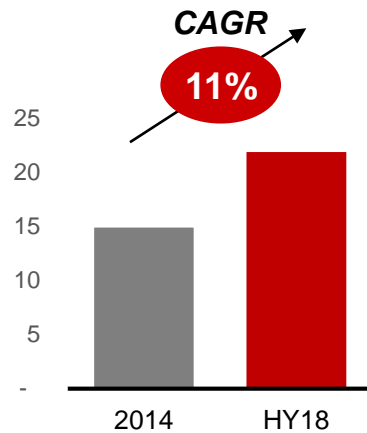
**#1** REGULAR PREMIUM  
**22%** MARKET SHARE

**#1** MEDICAL (SHIELD)  
**3** CONSECUTIVE YEARS

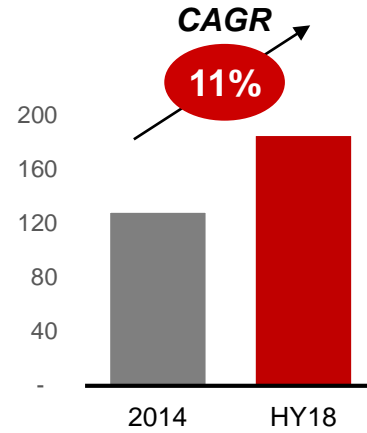
## Policy per customer attachment rate



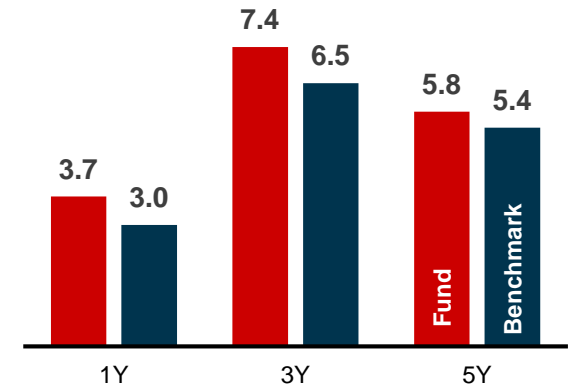
## Par Fund AUM (S\$bn)



## Sum assured (S\$bn)



## Par Fund performance<sup>3</sup> (%)

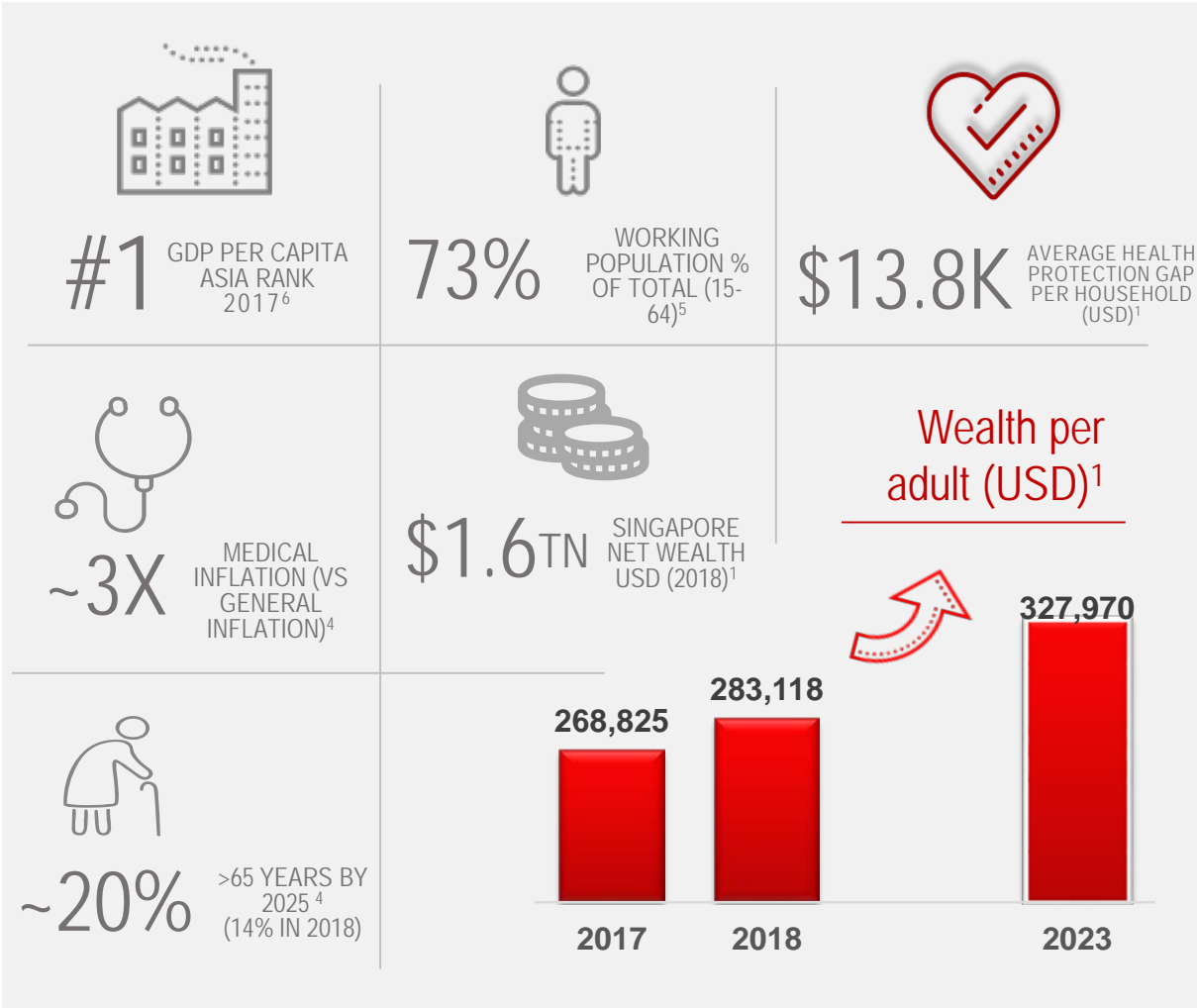


1. Data as at 3Q YTD 2018 unless stated otherwise.  
 2. FY2017 LIA Industry data.  
 3. PACS Regular Premium Life Fund and PHKL USD Main Life Fund (IFSF) as at 30 Sept 2018. Source Eastspring Investments. FUM as at HY18.

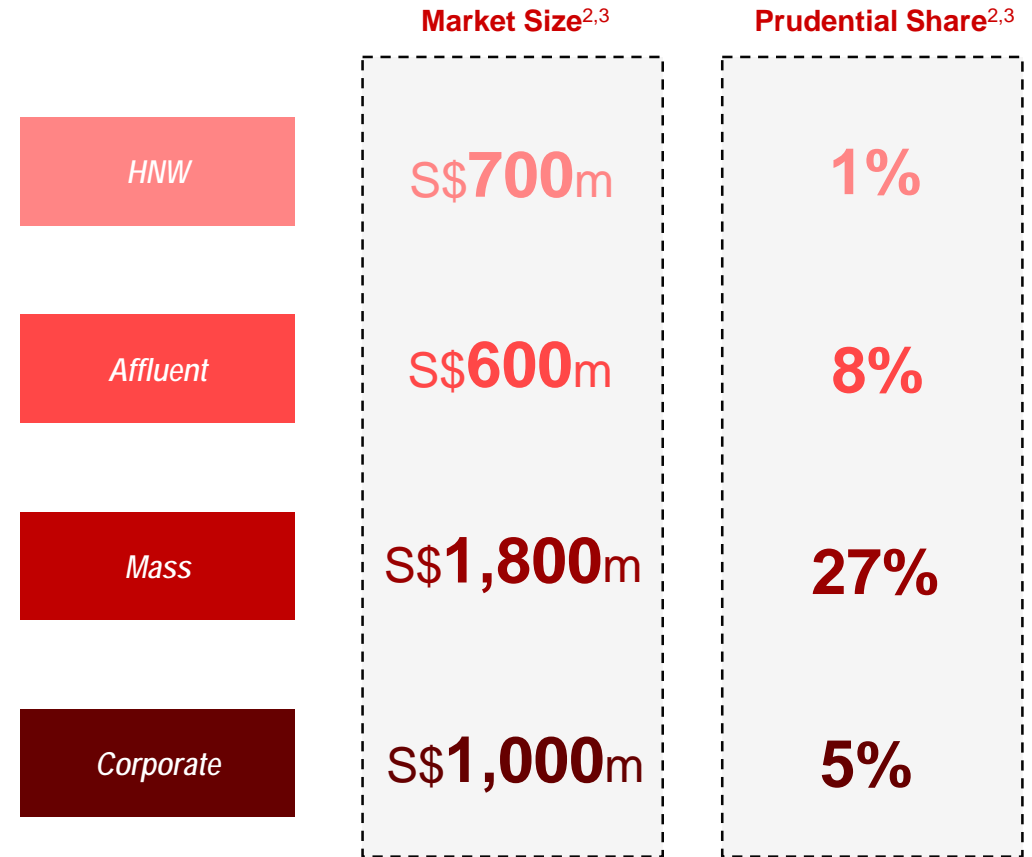


# Singapore

## Drivers of demand



## Market segment analysis



1. Credit Suisse Wealth report 2018: Average wealth per adult.  
 2. Source Proprietary research/Bain Analysis (2018), LIA analysis. Defined by Assets Under Management, Sum Assured, Cumulative Total Premium.  
 3. As at FY2017.

4. Source Proprietary research/Bain Analysis (2018)  
 5. UN population stats by age  
 6. World Bank as at 2017

### PROTECTION SALES +32%

Protection Push

- Individual Protection APE is + 32%
- Protection NBP mix 42% (+4.7%pt)

### PRUactive saver PRUtriple protect

Successful first-in-market products

- PASV – First of its kind customizable savings plan; S\$14m sales in just 24 days since launch
- PTP – Unique product features up to 300% covering multiple illnesses



Opus proposition for High Net Worth

- Opus launched in 2018 with APE S\$49m (+13.4% vs LY)
- Considerable interest and strong pipeline



Launch of new Enterprise proposition

- Sales of S\$45m
- Agency production increased +54% and is highest ever by agency
- Fastest sales cycle of 1
- New value added service, SME Health+ program



Claims-based pricing for PRUextra

- Claims-based pricing launched in May 2017
- E-claims for our private medical plans
- Improvement in claims frequency and severity



PRU Fintegrate

Innovation@Prudential

- Pru Fintegrate innovation program
- Ignite – internal ideation platform
- Mass design thinking training for 600 employees

### Extend leadership position

- Optimise efficiencies of current agency & bank channels
- Expand customer access and deepen customer engagement
- Transform and digitize end to end customer fulfillment
- Establish and leverage new non-traditional relationships (e.g. DirectAsia)

### Grow share and presence

- Enrich and accelerate Enterprise proposition
- Increase penetration in the HNW segment

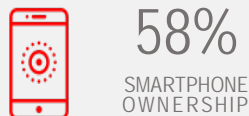
### Pursue new opportunities

- Provide digital value added services working with non-traditional partners
- Launch retirement solutions

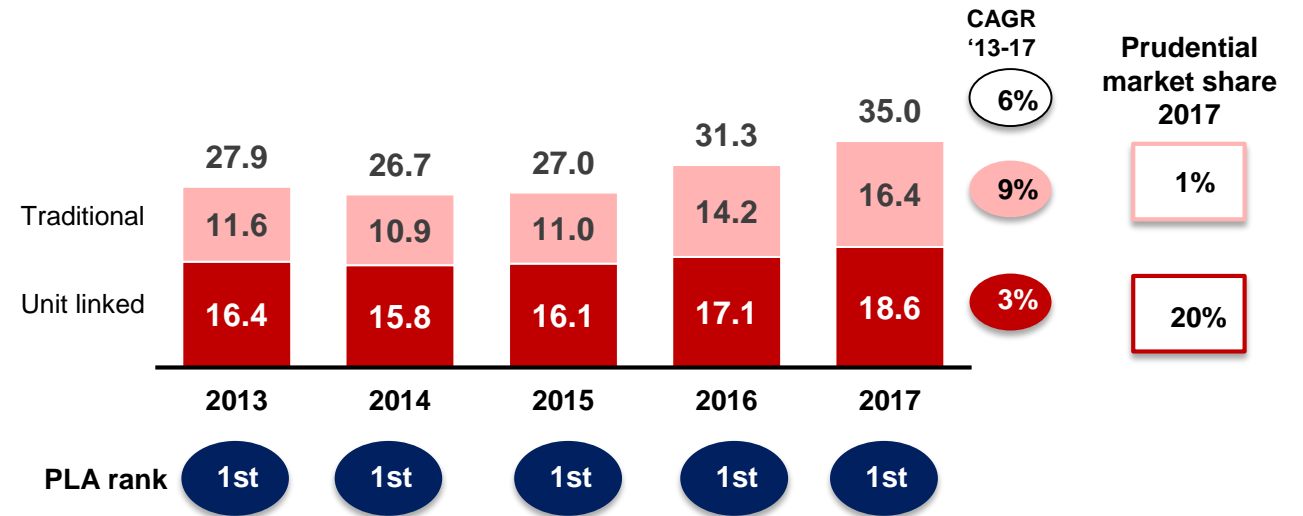
# Indonesia

## Strong structural drivers

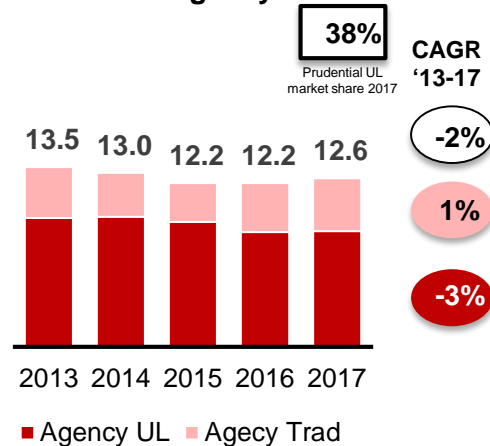
### Indonesia structural demand drivers



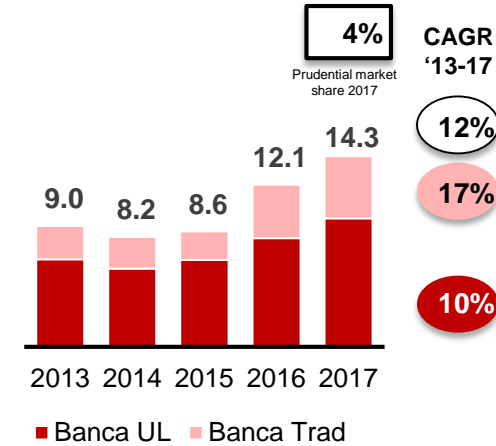
### Total Weighted New Business Premiums (IDR tr)<sup>1</sup>



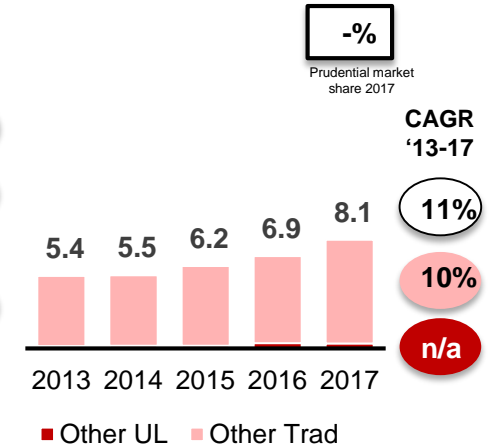
### Agency



### Banca



### Other



# Indonesia

## Unique credentials



### Indonesia<sup>3</sup>

**#1** Agency

**#1 MDRT** in Indonesia

**>250k** agents

**2.3m** customers

**3.3m** policies

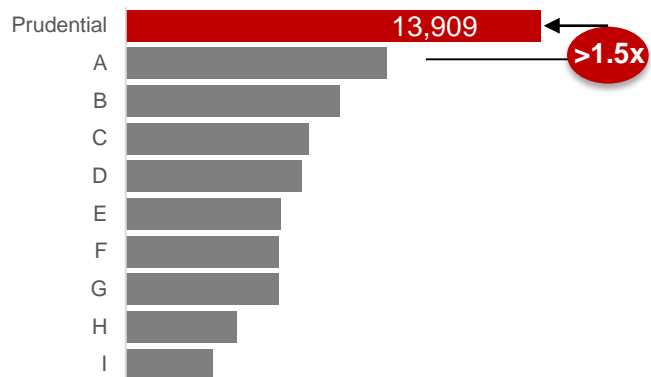
**+18%** Sharia APE

PRUmedical network

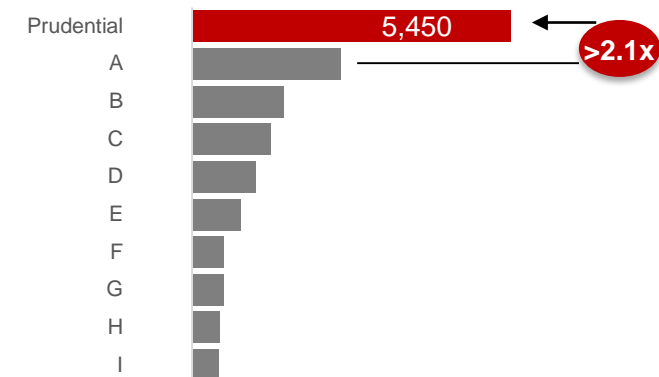
**58** hospitals in **30** cities



### HY18 Total premium<sup>1</sup> (IDR bns)



### FY17 Profit (IDR'bn local basis)<sup>2</sup>



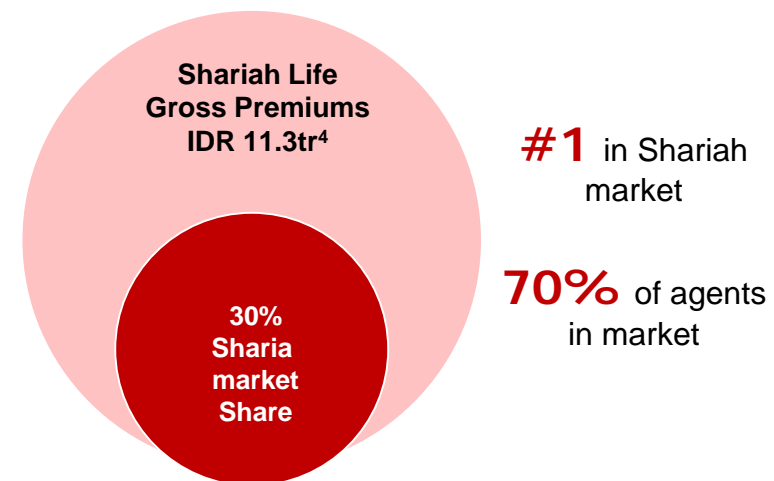
### Agency network



**403** sales / GA<sup>5</sup> offices

**165** cities

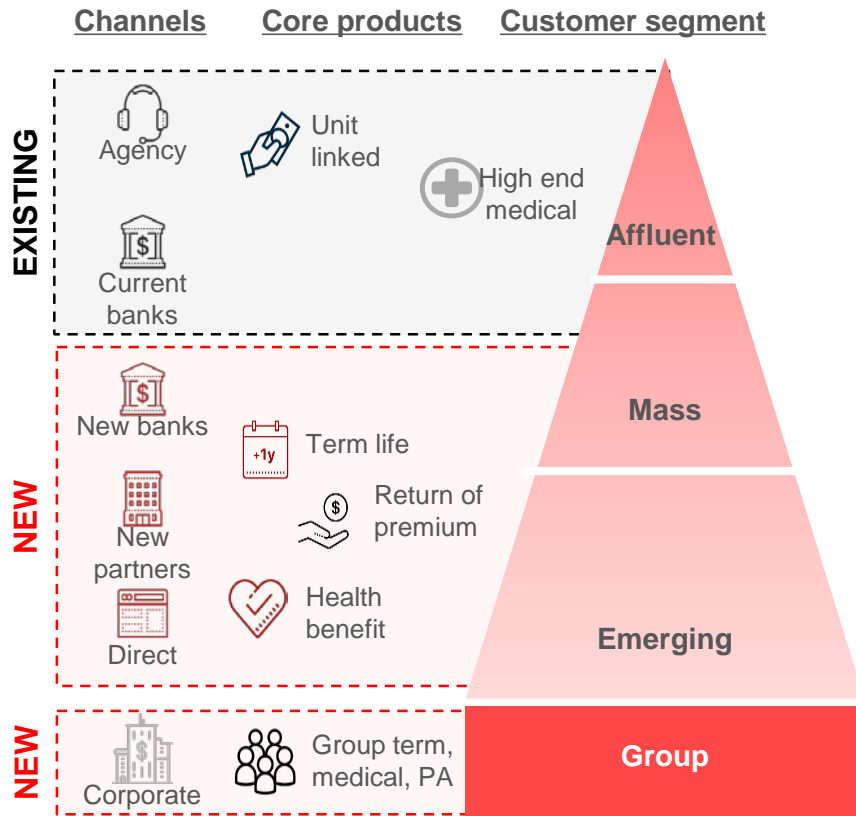
### Shariah (FY17)



1. Total collected premium (new business and renewals) based on 2QYTD 2018 AAJI data.  
 2. FY17 Post-tax profit based on Indonesia Financial Authority data.  
 3. Data as at 3Q YTD 2018 unless stated otherwise.  
 4. Life gross premium - 2017 Sharia Life industry data for weighted new business, weighted total premium not available.  
 5. GA: General Agency offices.

# Indonesia

## Re-tooling the business



### Regular premium unit-linked with riders covering all life stages

#### Enhanced customer offering

Additional investment allocation

Additional sum assured bonus

Loyalty bonus

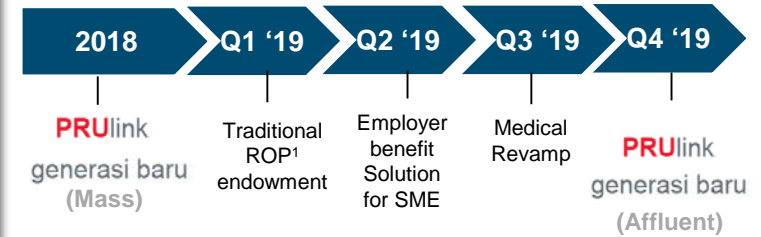
New CI riders

Higher case size

Promotes persistency

Greater rider attachment

### Broaden product range



### Expand distribution and drive efficiency

#### Agent development & training

##### Segmented training strategy



##### Promote industry excellence



##### Digital capability expansion



91% E-submissions

1. ROP equals Return Of Premium.

### Extend leadership position

- Segment and re-tool agency force to drive productivity improvements
- Broaden product solutions, develop modular propositions and increase customer touch points
- Drive Sharia advantage
- Leverage technology to enhance quality / effectiveness of sales and service

### Grow share and presence

- Expand bank distribution
- Launch employer benefit offering for SME segment

### Pursue new opportunities

- Provide digital value added services working with non-traditional partners

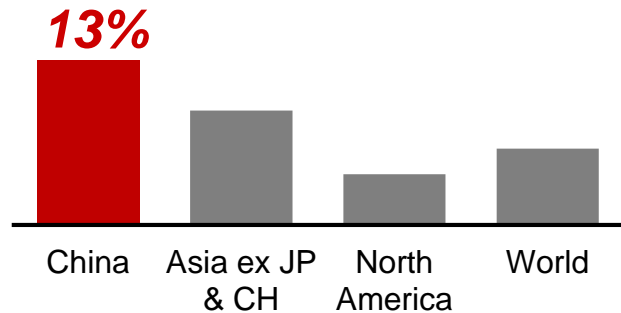


# China

## Significant opportunity and strong footprint

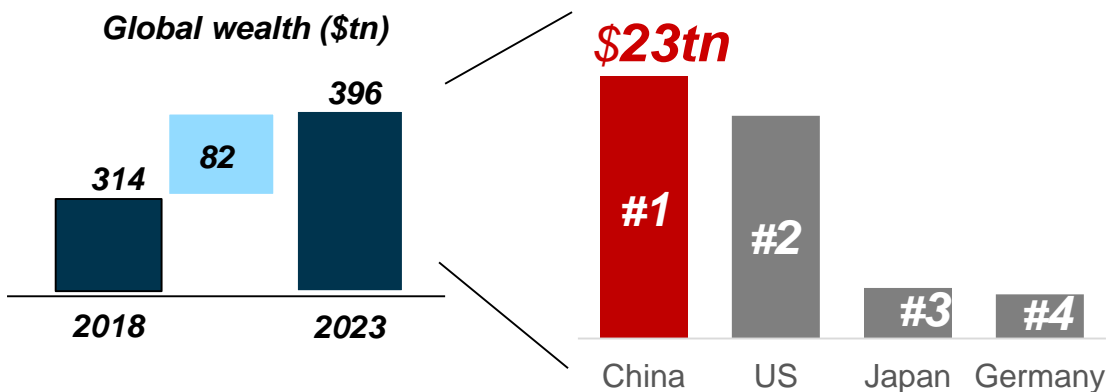
### Growth in insurance premium

(CAGR % 2018-2028)<sup>2</sup>



### Contribution to growth in global wealth

(USD)<sup>1</sup>



Presence in:

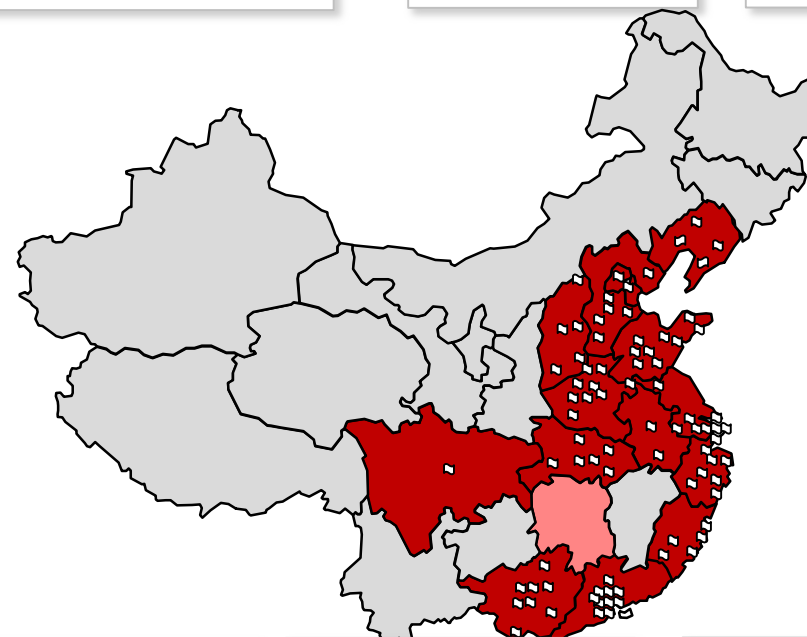
**18** Provinces  
**85** Cities

Access to:

**75%** of population

Access to:

**78%** China GDP



**98%**

Regular premium (% of APE)

**SARMRA**

(85.75%)

**#1** in industry

**End-to-end**

digital customer experience

US\$ **10** bn

Life JV assets<sup>3</sup>

US\$ **17** bn

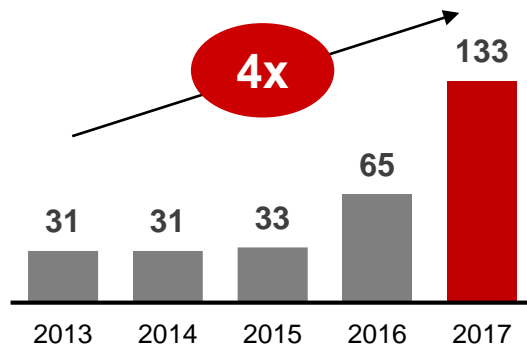
Fund Management JV assets<sup>3</sup>:

**42,000** agents and access to **>4000** bank branches

# China

## Benefits starting to come through

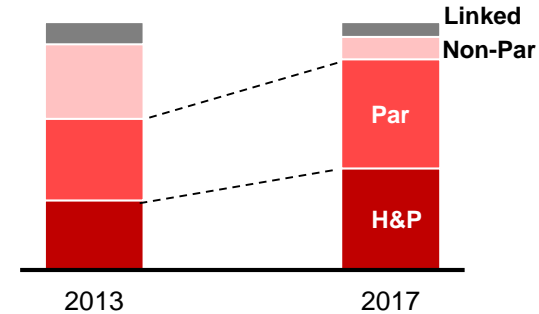
New Business Profit (£'m)<sup>1,3</sup>



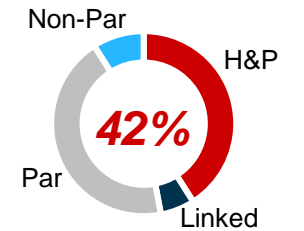
Q3 YTD 2018

+16%

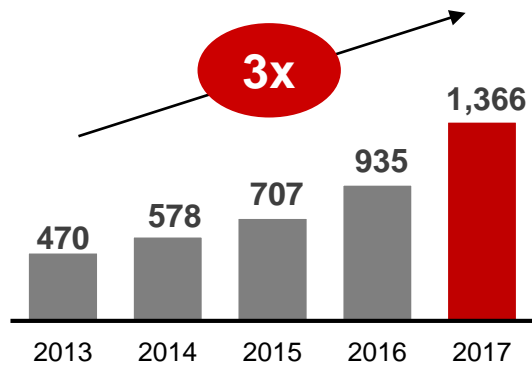
H&P Mix (% APE)



Q3 YTD 2018



Life gross written premium income (£'m)<sup>1,2</sup>

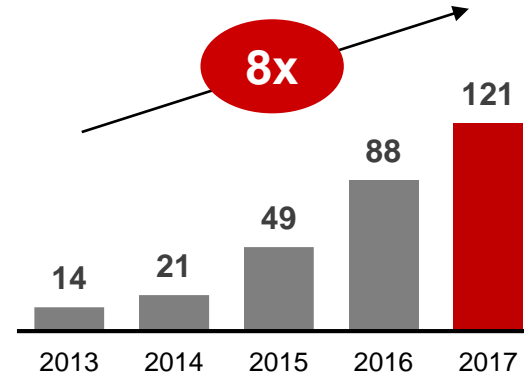


Aug YTD 2018

+21%

(vs -5% market & 0% foreign JVs)

IFRS operating profit (£'m)<sup>1,4</sup>



HY 2018

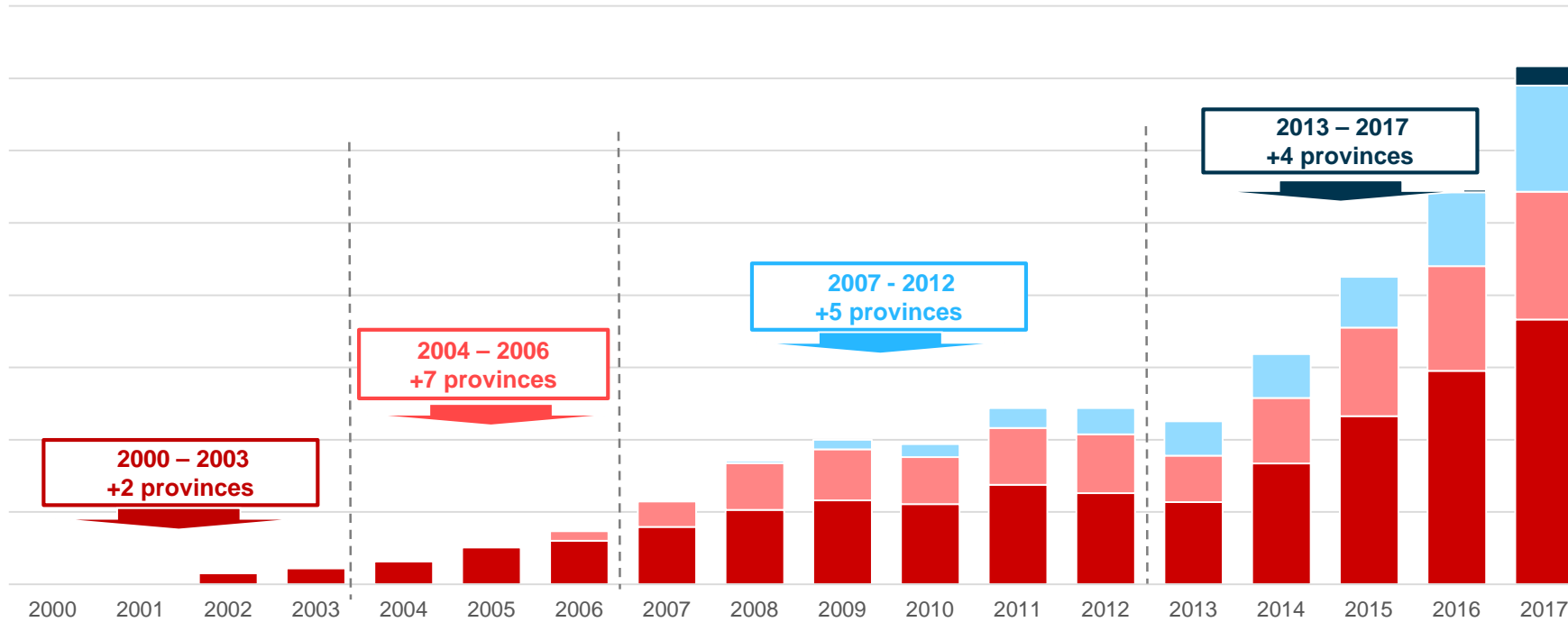
+22%

1. Comparatives stated on a constant exchange rate basis.  
 2. Source: CBIRC. Gross written premiums at 100% of renewal premiums, 100% of first year premiums and 100% of single premiums. 100% basis.  
 3. 50% basis, post-tax.  
 4. 50% basis pre-tax.

# China

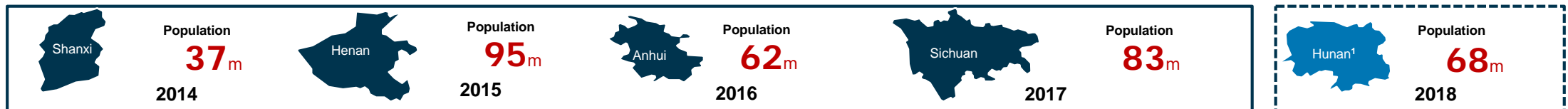
## Expanding contribution to sales

### APE by Branch



APE % (2017)	Cities (Sept'18)	Offices (Sept'18)
6%	17	17
21%	24	49
24%	33	84
49%	10 (Guangdong) 1 (Beijing)	54

### Recent branch expansion



1. Received Regulatory approval for preparation work

### Extend leadership position

- Grow into footprint and expand to central and western provinces
- Expand and drive distribution efficiencies in agency and bank channels
- Optimise and improve the health management platform
- Provide frontline marketers with mobile technologies to acquire customers
- Preserve leading edge operational advantages

### Grow share and presence

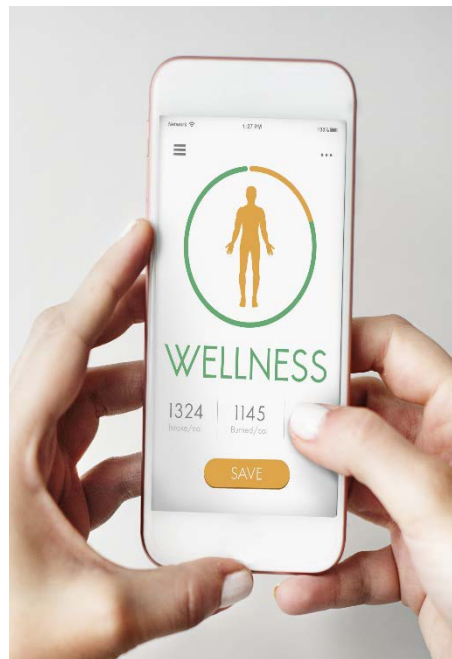
- Access e-Commerce channels and non-traditional partners
- Operationalise insurance Asset Management license
- Penetrate high-net-worth

### Pursue new opportunities

- Promote deferred pension products and seek license to establish a pension company
- Pursue optionality to increase participation

Expanded  
health  
and wellness  
offering

### Using technology to make health accessible and affordable to all



Transform the delivery of care from sick care to **wellness**

Expand **partnership** with providers offering complementary capabilities

Leverage digital technology to achieve **real-time engagement** with consumers

Use **AI** to analyse big data to improve customer **feedback loops**

Risk Factor Identification  
**Prevent**

Health & wellness coaching  
**Prevent/ Postpone**

Disease diagnosis, treatment & management  
**Postpone/ Protect**

Value-added products and services  
**Protect**

# Indonesia health value added service features



We aim to go live with Babylon and telemedicine services in Q2 2019 before adding further features over time

Q2 2019

## babylon



### Digital Health Assessment

Evaluation of a person's overall health digitally through self inputs



### AI Symptom Diagnosis: Self Input

Use of AI, e.g. a chatbot, to diagnose an illness from input manually provided by a consumer



### Current Health Overview (digital twin)

A visual display of a person's health as a whole, covering organs and systems



### Direction to treatment

Provide recommendations to consumers after a diagnosis on what treatment to receive, e.g. see doctor, or medicine to buy



### Future Health Prediction (digital twin)

Simulation of an individual's future health status based on previous interactions



### E-Medicine Recommendation

Advice on what medicines to take in order to treat an illness



### Electronic Medical Records

A digital record of a person's medical information and history



### Curated Health Newsfeed / Articles

A collection of health content informing consumers on how to lead a healthier life

## halodoc



### Live Medical Chat

A remote, online medical chat with a real doctor to provide medical advice / diagnosis



### Medicinal E-Commerce

Purchase medicinal related products online to a customer's home, e.g. medication and vitamins



### Video Consultation

Book and have a virtual consultation with a doctor / specialist conducted over video



### Home Lab Services

Laboratory tests of consumer samples, e.g. blood, to assess their health status. Tests can be done at individual's houses



### Offers

Detailed features to be confirmed



### Simple lead generation

Detailed features to be confirmed

Q3 2019



## Wellness



### Activity Tracking, e.g. step counting

Overview of consumer physical activity from connected devices, e.g. steps



### Sleep Tracking

Tracking of consumer sleep patterns by entering manually or linking with wearables



### Nutrition Tracking

Tracking of consumer nutritional intake, e.g. calcium, protein, and calories



### Health and Wellness Coach

AI assistant that provides advice on how to live a healthier lifestyle, e.g. exercising



## Rewards

Detailed features to be confirmed

Q4 2019



## Chronic disease management

Detailed features to be confirmed



## PRUmedical network integration

### Online inpatient admission

Book physical doctor appointment through PRUmedical network, with data from previous online Halodoc consultation passed onto the new doctor

### Babylon symptom checker integration

Babylon will direct customer to Halodoc or appointment at a PRUmedical network hospital based on AI diagnosis, and share the report to the relevant doctor



## Servicing

Detailed features to be confirmed

Q1 2020

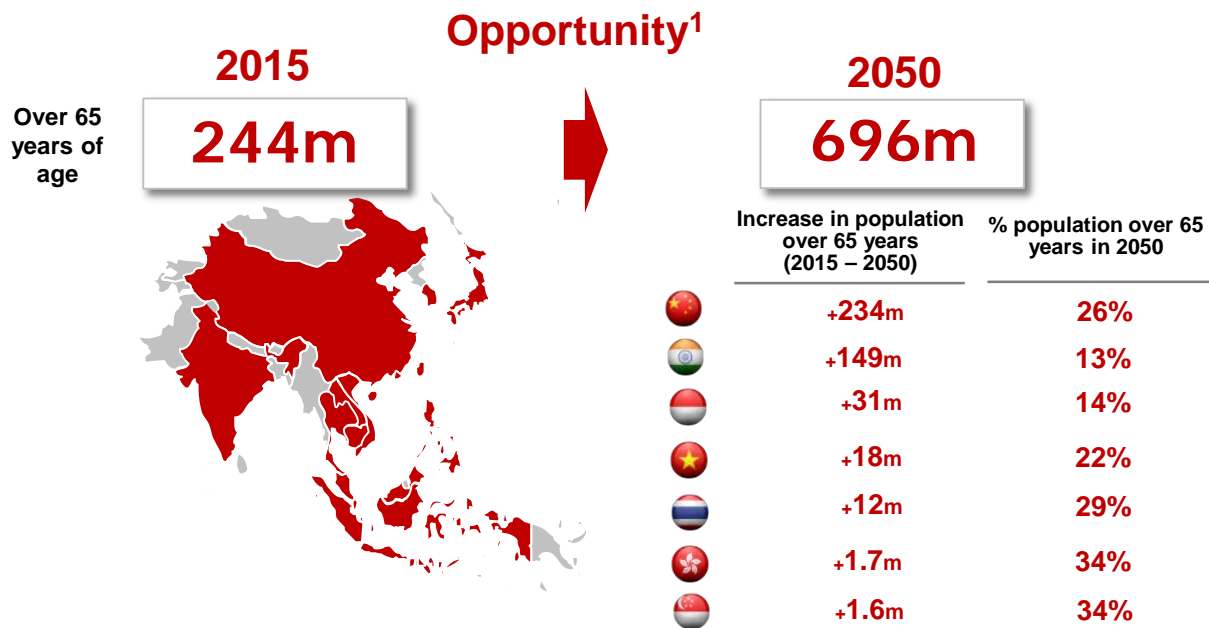


## Cognitive health

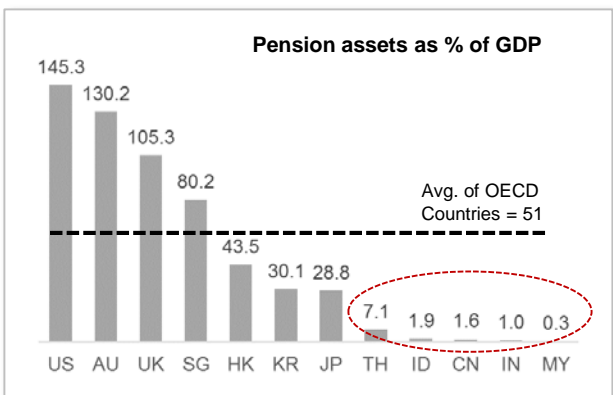


### Cognitive Health Monitoring

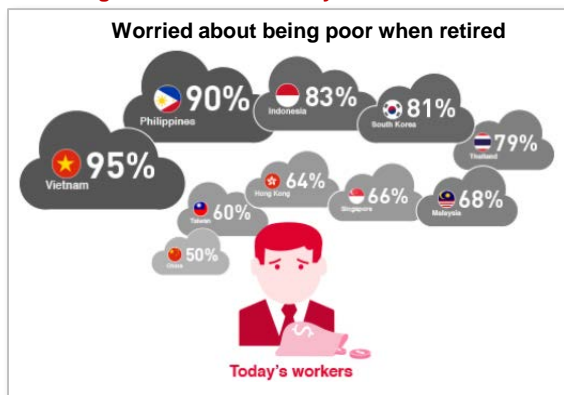
Overview of consumer mental wellbeing by looking at key metrics, e.g. stress levels



### Low Pension Assets in Asian Markets<sup>2</sup>



### Growing Retirement Insecurity<sup>3</sup>



**Pre-conditions for accelerated growth**

- Deeper investment markets
- Government alignment
- Tax incentives
- Increase awareness on the need to save for retirement

### Prudential Progress

**Granted licence** to offer tax-deferred pension policies in China; launched 4 products in 2Q18

Preparation to apply for a **pension company license**

**Collaboration with DRC<sup>4</sup>** of the State Council on the development of sustainable pension system in China

**PRUActive saver**  
a customised savings plan to meet customers' tailored financial goals

**THE DAY ALAN RETIRES.**  
And it all starts with a 28 year savings plan and 26 years of premiums at just \$800 a month

GET READY FOR **100** with PRUActive saver

**PRUlife prestige wealth planner** a SP product for legacy planning launched 3Q18

**PRUlife monthly income plan** a financial protection plan launched in 2Q18

Planning to launch annuity plan following **HKMC Annuity scheme** initiative by the HK government in Jul'18

**eastspring investments**

Launching goal-directed **Robo Advisor**

**aikanza**

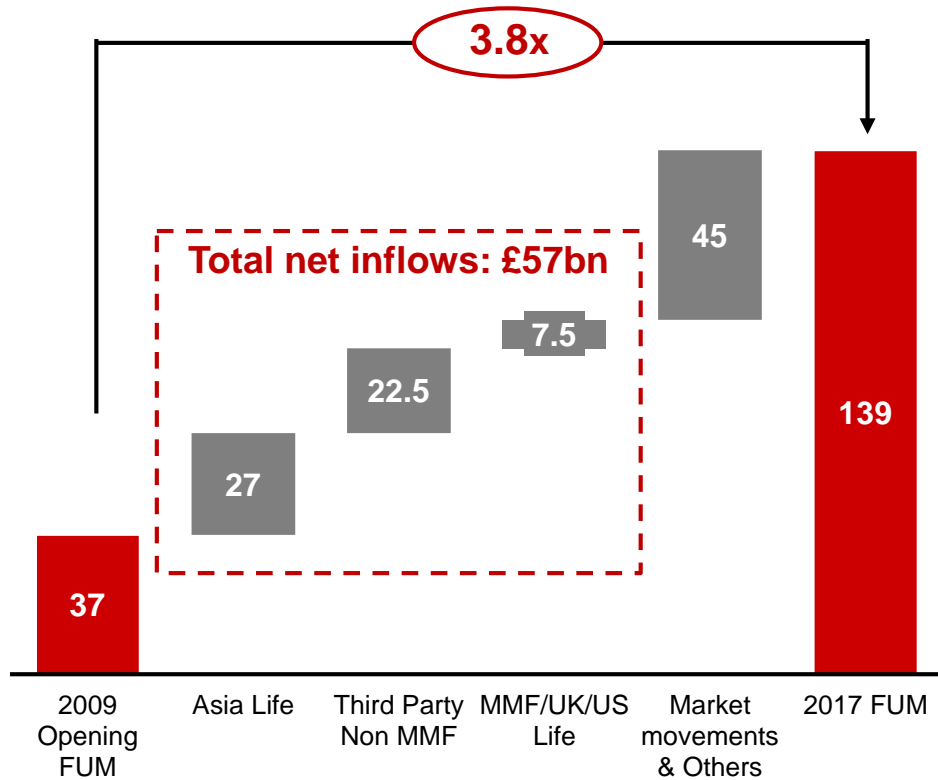
1. United Nations, Department of Economic and Social Affairs, Population Division (2015).  
 2. OECD Global Pension Statistics. Note China numbers exclude NSSF.  
 3. East Asia Retirement Survey 2015.  
 4. DRC = Development Research Centre.

# Eastspring

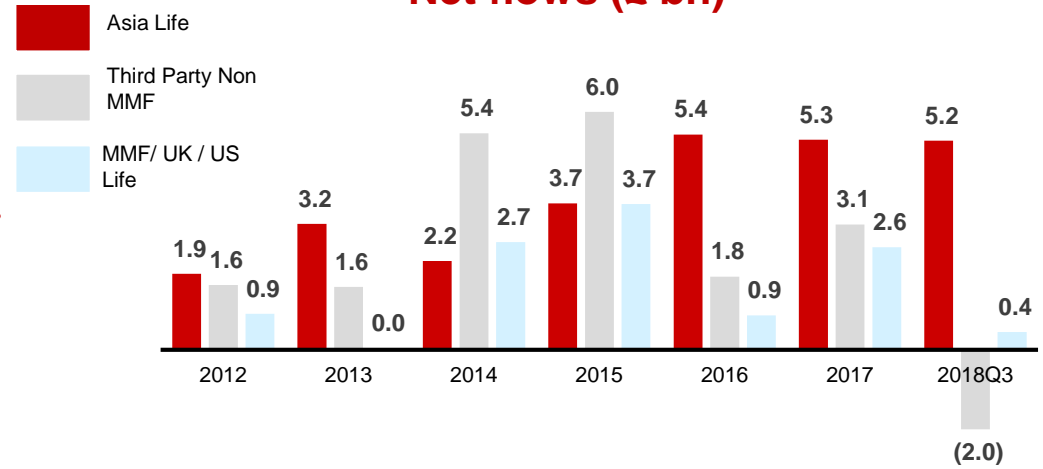
Benefiting from reliable Life flows and third party demand



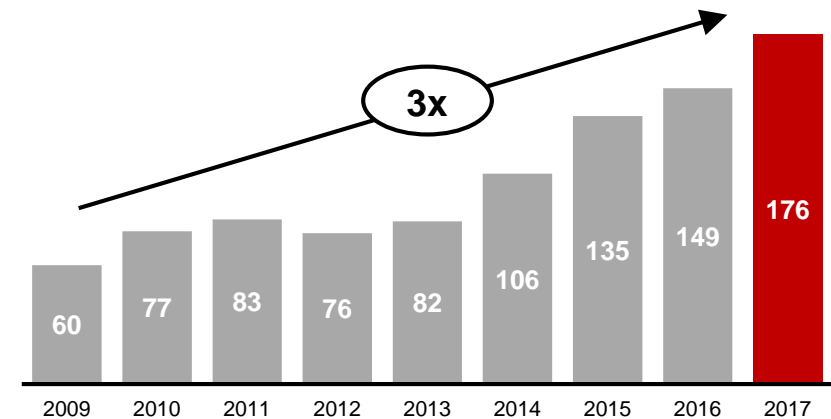
## Funds Under Management (£'bn)<sup>1</sup>



## Net flows (£'bn)<sup>1</sup>

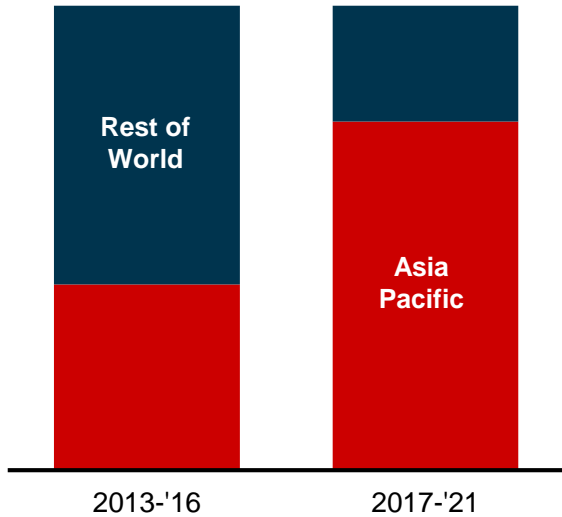


## IFRS Operating Profit (£'m)<sup>2</sup>

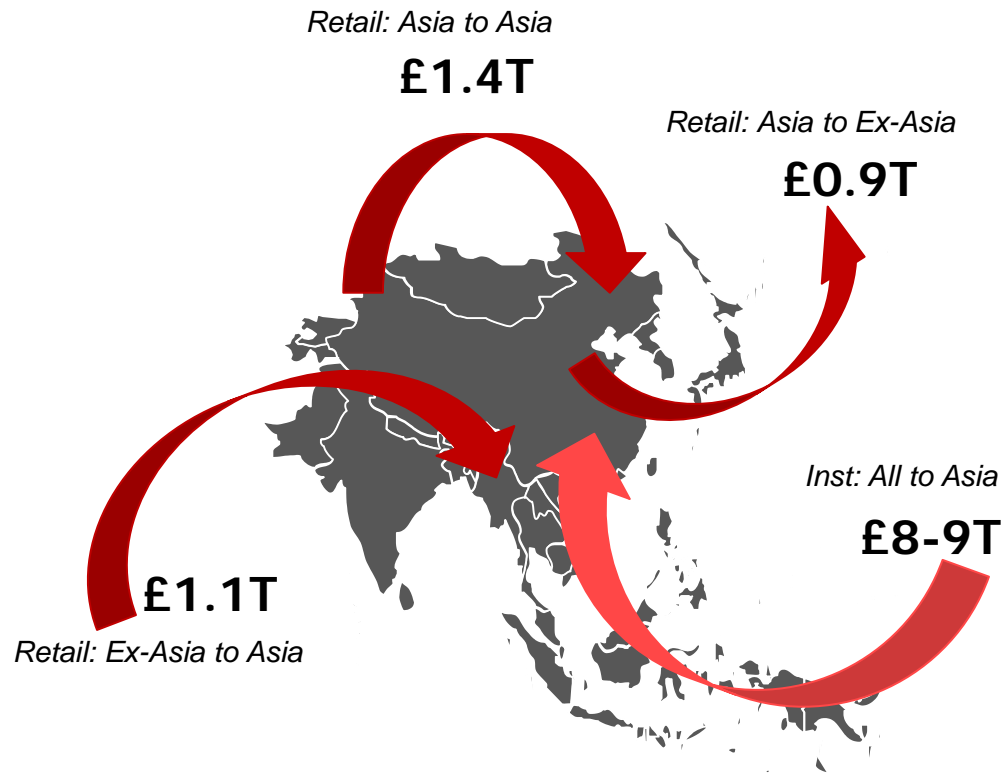





Cumulative AM industry net new flows by region ('13-'21E)<sup>1</sup>


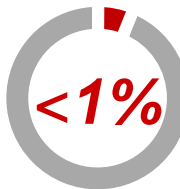


Assets Under Management (2017)<sup>1,2</sup>





**Footprint**

Retail: Asia to Asia	Retail: Asia to Ex-Asia	Retail: Ex-Asia to Asia	Inst: All to Asia
✓	✓	✓	✓
<b>Market Share</b>	<b>Market Share</b>		
 <p><b>c5%</b></p>	 <p><b>&lt;1%</b></p>		

# Eastspring

## Expanding offerings & capabilities



		Korea	Japan	Taiwan	Malaysia	Indo	Singapore & HK	EMEA	US & Latam	India	China	Thailand
Global/Asia investments (Offshore)	Equity	●	●	●	●	●	●	●	●	JV	JV	WFOE
	FI	●	●	●	●	●	●	●	●	●	●	●
	Quant	●	●	●	●	●	●	●	●	●	●	●
	MAS	●	●	●	●	●	●	●	●	●	●	●
	Others	●	●	●	●	●	●	●	●	●	●	●
Local investments (Onshore)	Equity	●	●	●	●	●	●	●	●	●	●	●
	FI	●	●	●	●	●	●	●	●	●	●	●
	Quant	●	●	●	●	●	●	●	●	●	●	●
	Others	●	●	●	●	●	●	●	●	●	●	●
Partnerships	PPMA	●	●	●	●	●	●	●	●	●	●	●
	M&G	●	●	●	●	●	●	●	●	●	●	●
	External*	●	●	●	●	●	●	●	●	●	●	●

\*External = SGA, Vontobel, Henderson, Blackrock

●	With existing institutional clients	●	Potential to develop institutional clients <sup>1</sup>	■	Category not applicable
●	With existing intermediary clients	●	Potential to develop intermediary clients <sup>1</sup>	○	Not available / low potential <sup>2</sup>

### Distribution

- Established 100% owned investment management **WFOE** - received **PFM license**



### Market

- Acquired majority stake in **TMBAM** – pathway to full ownership in 3 years



### Investment offering

- 18 senior investment hires** in key assets classes e.g.: Multi Asset Solutions / Emerging Market Debt / Alternatives / Equity Growth



### Digital

- Partnering with **Alkanza** to launch hybrid robo-advice platform
- 1 of 5 chosen by **Employee Provident Fund** in Malaysia to implement robo-advice



### Strategic priorities

#### Enhance the core

- ▶ Broaden flagship product range
- ▶ Expand distribution and drive efficiency
- ▶ Collaborate with non-traditional partners
- ▶ Increase automation and embed digital capability

#### Create 'best-in-class' health capability

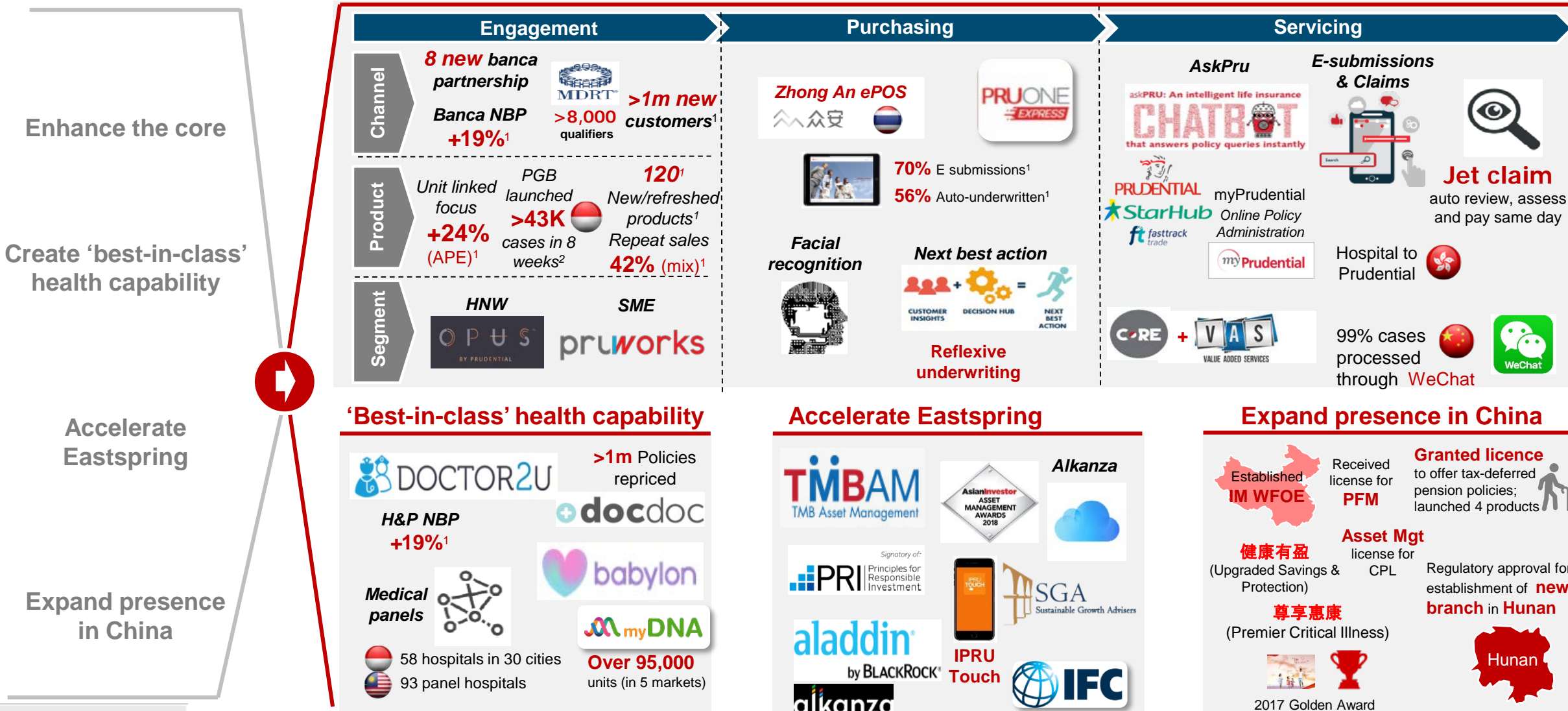
- ▶ Narrow mortality protection gap
- ▶ Grow participation in health and medical segments
- ▶ Build-out presence in SME segment
- ▶ Expand value added services

#### Accelerate Eastspring

- ▶ Strengthen and expand investment offering
- ▶ Diversify investment styles
- ▶ Enhance distribution capabilities
- ▶ Build digital enablers

#### Expand presence in China

- ▶ Grow into footprint
- ▶ Preserve leading edge operational capabilities
- ▶ Deepen asset management presence
- ▶ Pursue optionality to increase participation



Enhance the core

Create 'best-in-class' health capability

Accelerate Eastspring

Expand presence in China

### Engagement

**Channel**  
8 new banca partnership  
Banca NBP +19%<sup>1</sup>  
MDRT  
>8,000 qualifiers  
>1m new customers<sup>1</sup>

**Product**  
Unit linked focus +24% (APE)<sup>1</sup>  
PGB launched >43K cases in 8 weeks<sup>2</sup>  
120<sup>1</sup> New/refreshed products<sup>1</sup>  
Repeat sales 42% (mix)<sup>1</sup>

**Segment**  
HNW  
SME  
OPUS BY PRUDENTIAL  
pruworks

### Purchasing

Zhong An ePOS  
PRUONE EXPRESS  
70% E submissions<sup>1</sup>  
56% Auto-underwritten<sup>1</sup>  
Facial recognition  
Next best action  
Reflexive underwriting

### Servicing

AskPru  
E-submissions & Claims  
Jet claim auto review, assess and pay same day  
StarHub  
myPrudential Online Policy Administration  
Hospital to Prudential  
99% cases processed through WeChat

### 'Best-in-class' health capability

DOCTOR2U >1m Policies repriced  
H&P NBP +19%<sup>1</sup>  
docdoc  
Medical panels  
babylon  
myDNA  
58 hospitals in 30 cities  
93 panel hospitals  
Over 95,000 units (in 5 markets)

### Accelerate Eastspring

TMBAM TMB Asset Management  
Alkanza  
PRI Principles for Responsible Investment  
SGA Sustainable Growth Advisers  
aladdin by BLACKROCK  
IPRU Touch  
IFC

### Expand presence in China

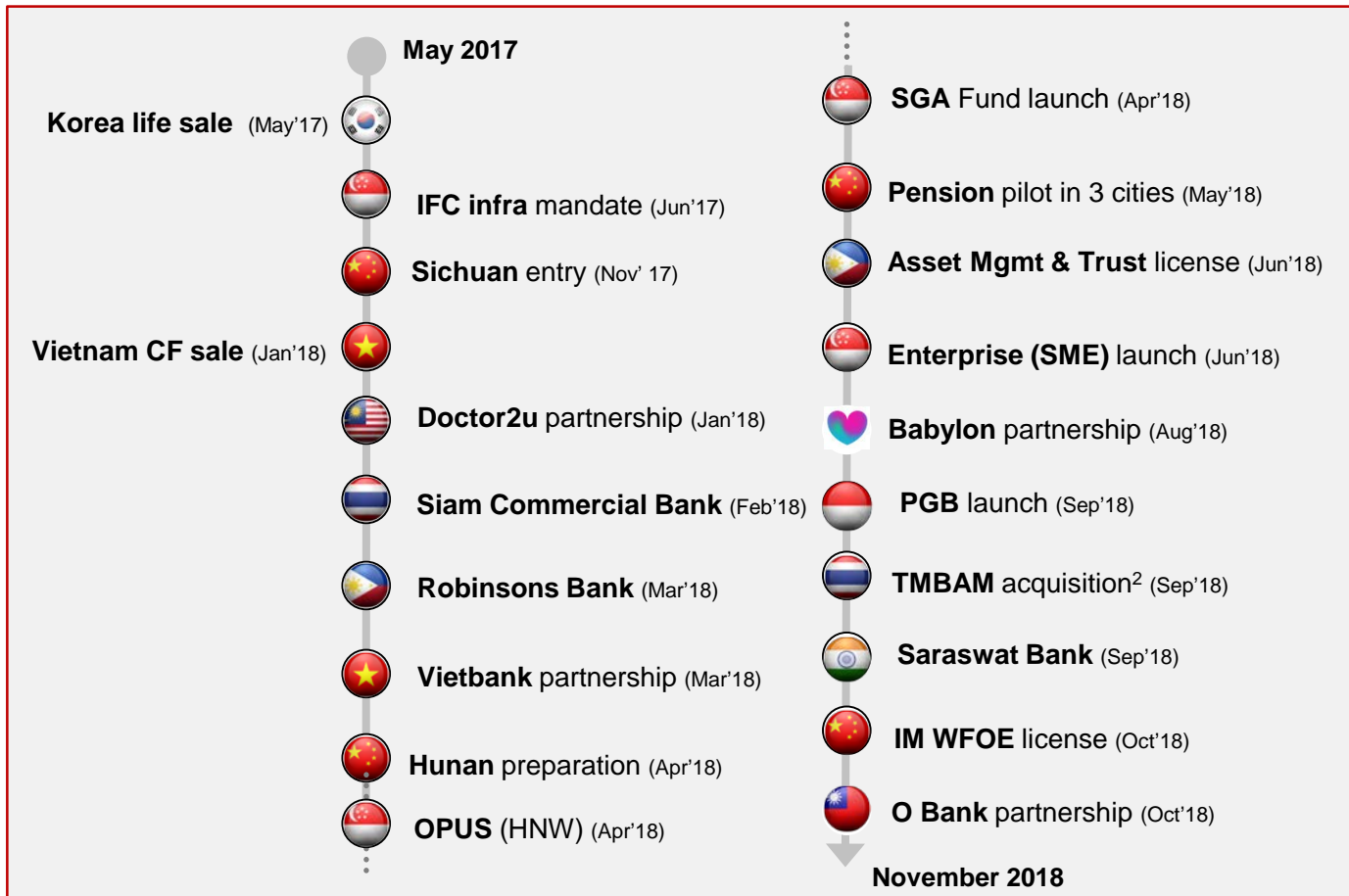
Established IM WFOE  
Received licence for PFM  
Granted licence to offer tax-deferred pension policies; launched 4 products  
Asset Mgt license for CPL  
Regulatory approval for establishment of new branch in Hunan  
2017 Golden Award  
Hunan

1. As of YTD3Q2018.  
2. As of the end of October. PGB was launched in early September.

# 2018 performance

Adding capabilities while delivering strong performance

## Active portfolio management and capability expansion



## Delivering double-digit growth

New business profit<sup>1</sup> (3Q18) £ **1,762**<sub>m</sub> + **15%**

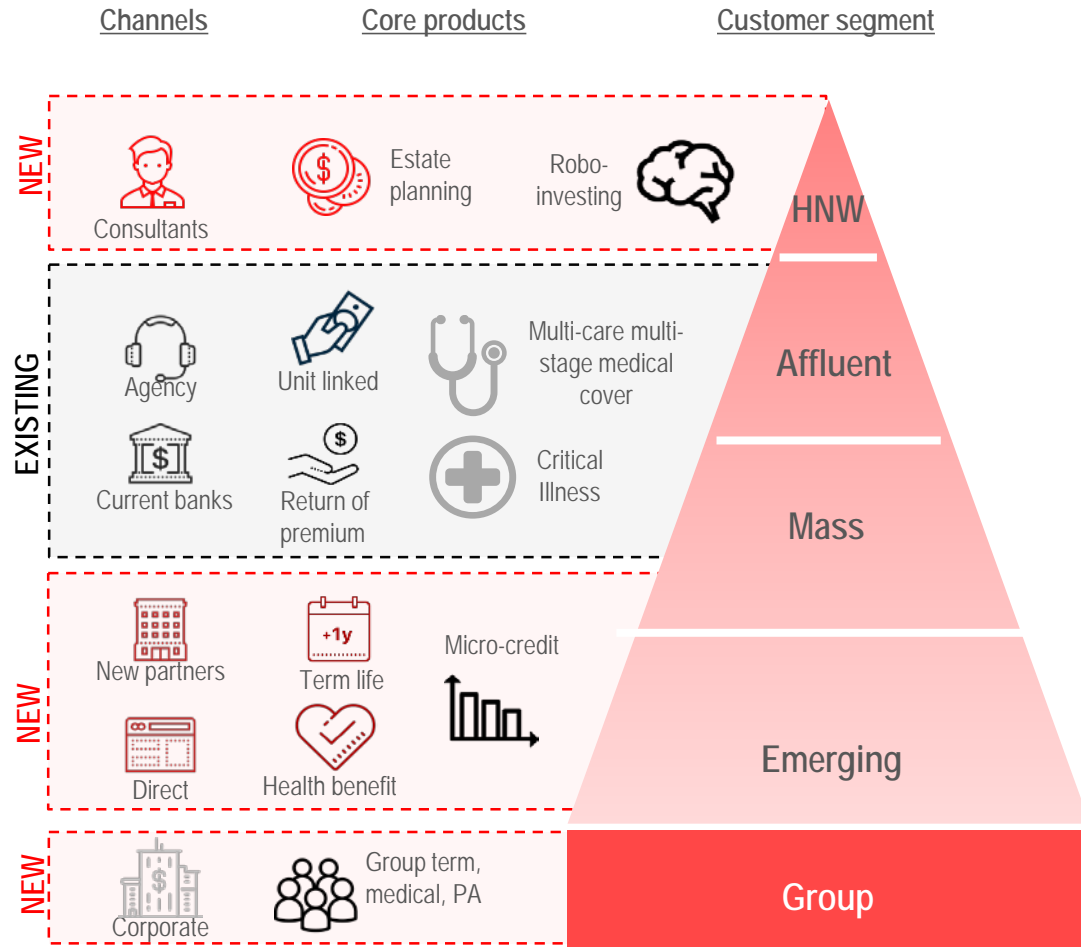
Eastspring AUM<sup>3</sup>(3Q18) £ **149**<sub>bn</sub> + **13%**

Free surplus generation<sup>1+</sup> **14%** (HY18)

IFRS operating profit<sup>1</sup> + **14%** (HY18)

1. Growth rates indicate variances against prior year on a constant exchange rate basis.  
 2. Share purchase agreement was signed on 25 July 2018. The acquisition is completed on 27 September 2018.  
 3. Growth rate includes TMBAM acquisition £9.3bn (65% of TMB Asset Management Co Ltd in September 2018).

# Asia Summary



- Well positioned to benefit from long-term structural opportunities
- Executing on a clear set of strategic priorities
- Unlocking new customer segments through broader proposition set and new channels
- Building out digital capabilities

Strategy & priority update	Nic Nicandrou	
Insurance operations	Lilian Ng	<b>Delivery ahead of customer expectations</b> Bespoke product solutions → Ease of doing business → Engage and influence
Eastspring	Guy Strapp	Expansion in China (Michelle Qi)   Multi-asset solutions (Colin Graham)
Innovation & partnership showcase	Nic Nicandrou	Health value added services (babylon, Dr Ali Parsa, Andrew Wong), Customer segmentation, Customer Fulfillment, Distribution efficiency, Robo-advice, Showcases
Financials & value conversion	Raghu Hariharan	
Q&A	All presenters	

# Asia Insurance

## Lilian Ng

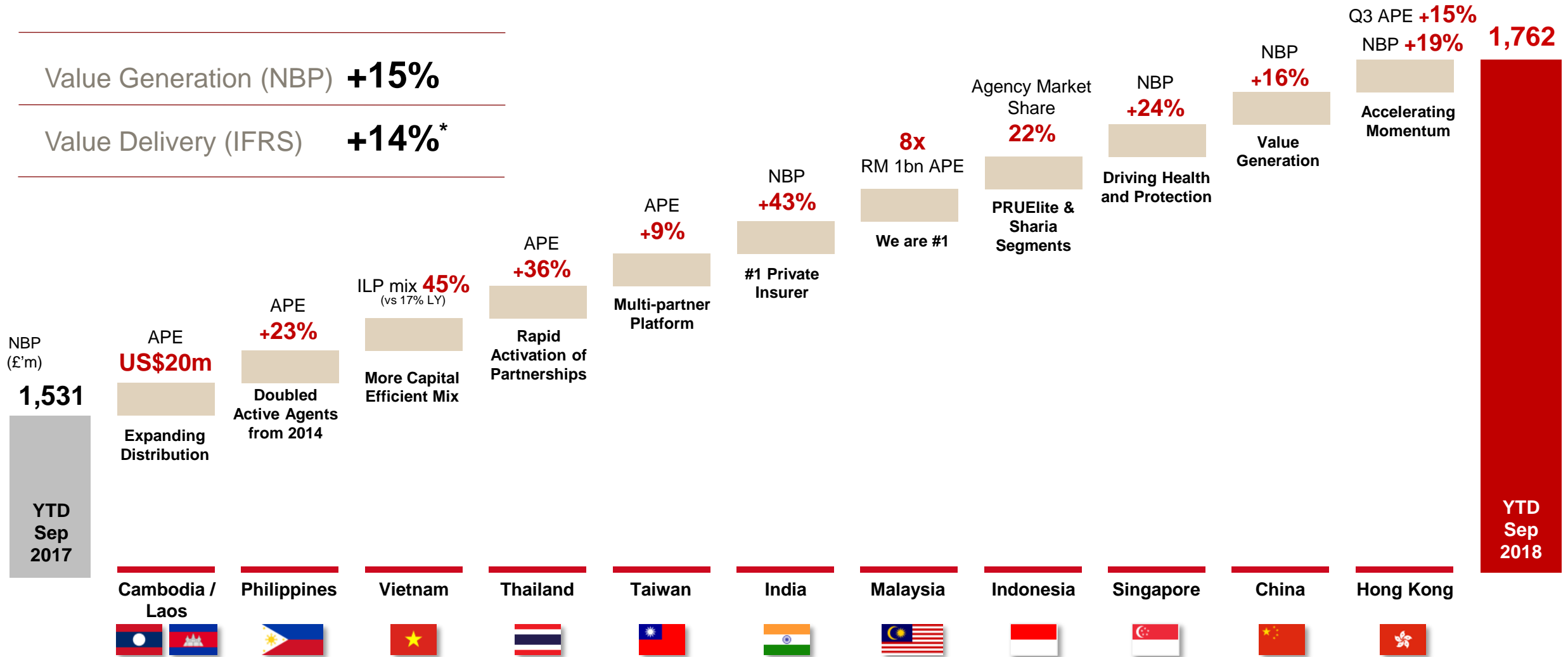
Chief Executive, Insurance  
Prudential Corporation Asia



# Consistent resilient delivery

Value Generation (NBP) **+15%**

Value Delivery (IFRS) **+14%\***



# Re-imagining and re-designing the core

## Delivering from a position of strengths



## Delivering ahead of customer expectations



# Underserved health conscious consumers



Increasing medical funding need

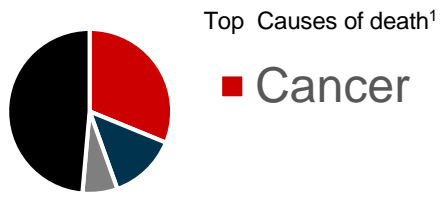
Medical advancement

Awareness of protection needs

## Drivers of Demand

**67.8**  $\Rightarrow$  **81<sup>1</sup>**  
Increasing Life expectancy at birth

Inability to cover six months' expenses **50%<sup>2</sup>**



Rapid increase in diagnosis and treatment costs

Health protection gap **US\$23bn<sup>2</sup>**

VHIS – recalibrate public private funding balance



## Consumer Needs

**Indemnify medical bills**

**Choice and Access**

**Peace of mind. Fulfilling dreams**

**COLORECTAL CANCER**  
2013 No. 1 common cancer in Hong Kong  
4,096 new cases per year in Hong Kong  
Stage distribution: Unstaged (15%), Stage I (33%), Stage II (23%), Stage III (29%)

**Risk for getting this**  
Age over 50  
Overweight with body mass index over 25  
Higher for diet with high-fat, high-cholesterol and low-fiber

**Chance of developing bowel cancer before age 75**  
1 in 22 men  
1 in 35 women

**LUNG CANCER**  
2013 No. 2 common cancer in Hong Kong  
No. 1 killer cancer in Hong Kong  
4,319 new cases per year in Hong Kong  
1 in 10 smoker get lung cancer

**Risk for getting this**  
3 times higher for frequent exposure to secondhand smoke  
20 times higher for smoker

**Chance of developing lung cancer before age 75**  
1 in 19 men  
1 in 42 women

**BREAST CANCER**  
2013 No. 3 common cancer in Hong Kong  
No. 1 common cancer of women  
2,834 new cases per year in Hong Kong  
Chance of developing breast cancer before age 75: 1 in 17 women

**Stage distribution & Survival rate**  
Stage IV (42%), Stage III (15%), Stage II (32%), Stage I (11%)  
Survived rate for early stage patient after treatment: 80%

**Risk for getting this**  
50 is median incidence age  
Higher for women having first menarche before 12 or menopause after 55  
5% cases related to genetic changes

**Chance of developing liver cancer**  
1 in 35 men before age 75  
100 times higher for chronic hepatitis B virus carriers  
55% caused by hepatitis B virus infection  
Average incidence age is 60-65  
Take 20-40 years to develop liver cancer after infected with hepatitis B virus

**LIVER CANCER**  
2013 No. 4 common cancer in Hong Kong  
No. 3 killer cancer in Hong Kong  
1,767 new cases per year in Hong Kong  
Sex Ratio: 7 in 10 patients are male

**PROSTATE CANCER**  
2013 No. 5 common cancer in Hong Kong  
No. 5 male killer cancer in Hong Kong  
1,301 new cases per year in Hong Kong  
Symptoms: Prostate malignant tumours develop slowly, without obvious clinical symptoms in the early stage

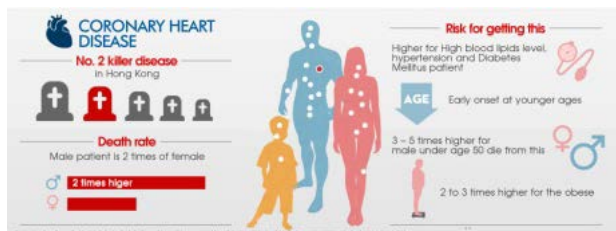
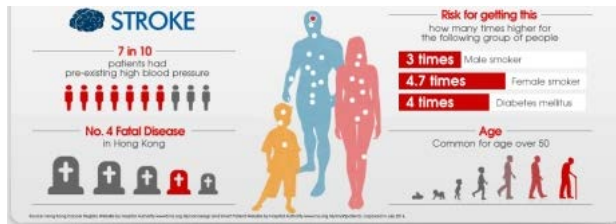
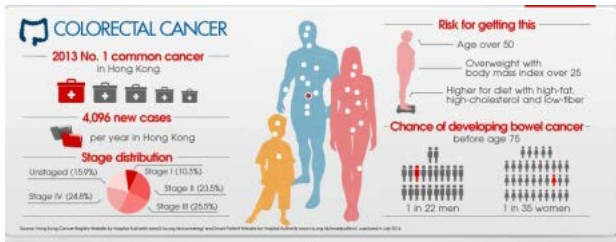
**Risk for getting this**  
Higher for smoker and overweight  
72 is median incidence age

**Chance of developing prostate cancer before age 75**  
1 in 32 men

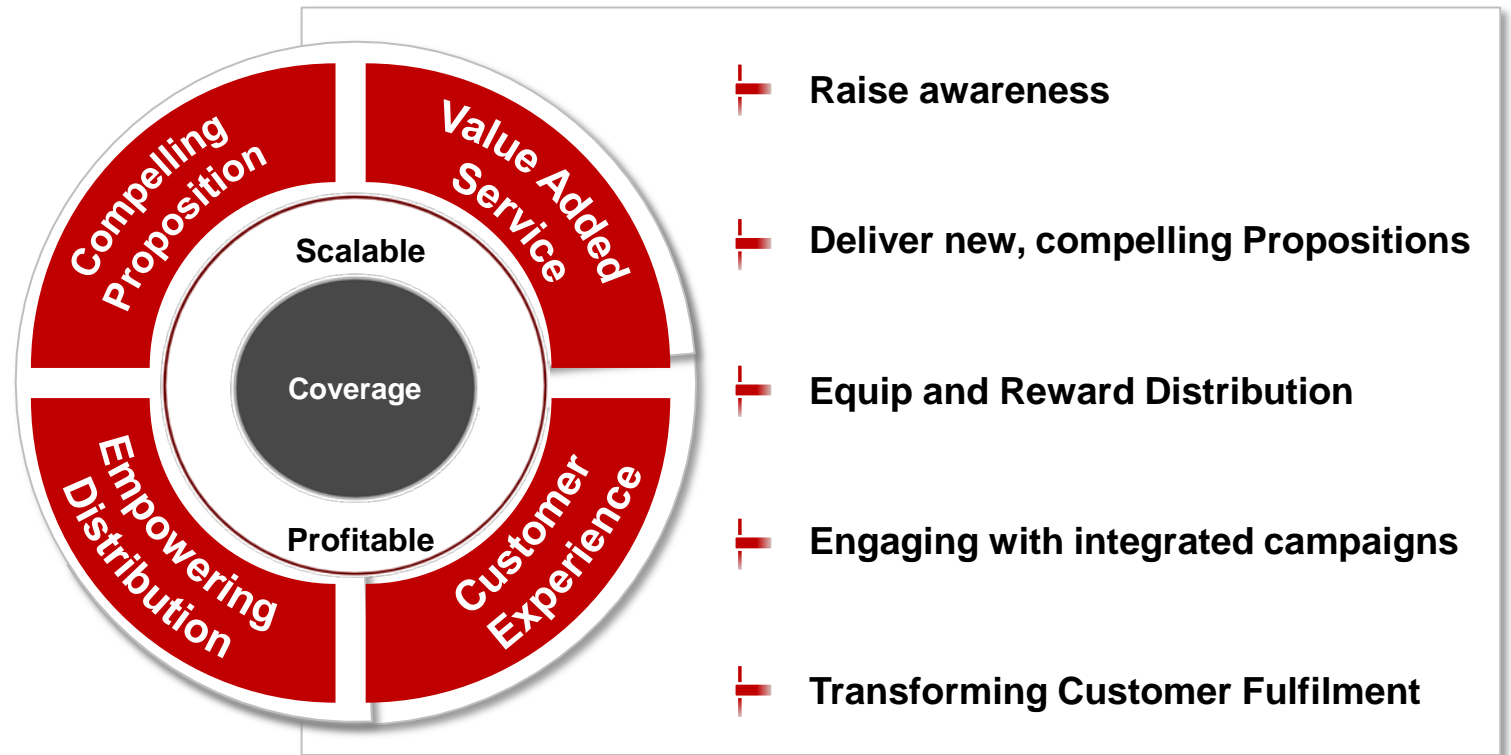
# Narrowing the health protection gap



## Top 3 serious illness



## Integrated approach to close the gap



# Always new and compelling propositions



## Continuously innovating Critical Illness (CI) offerings Leader in the health & protection segment

**18%**  
H&P APE  
mix<sup>1</sup>

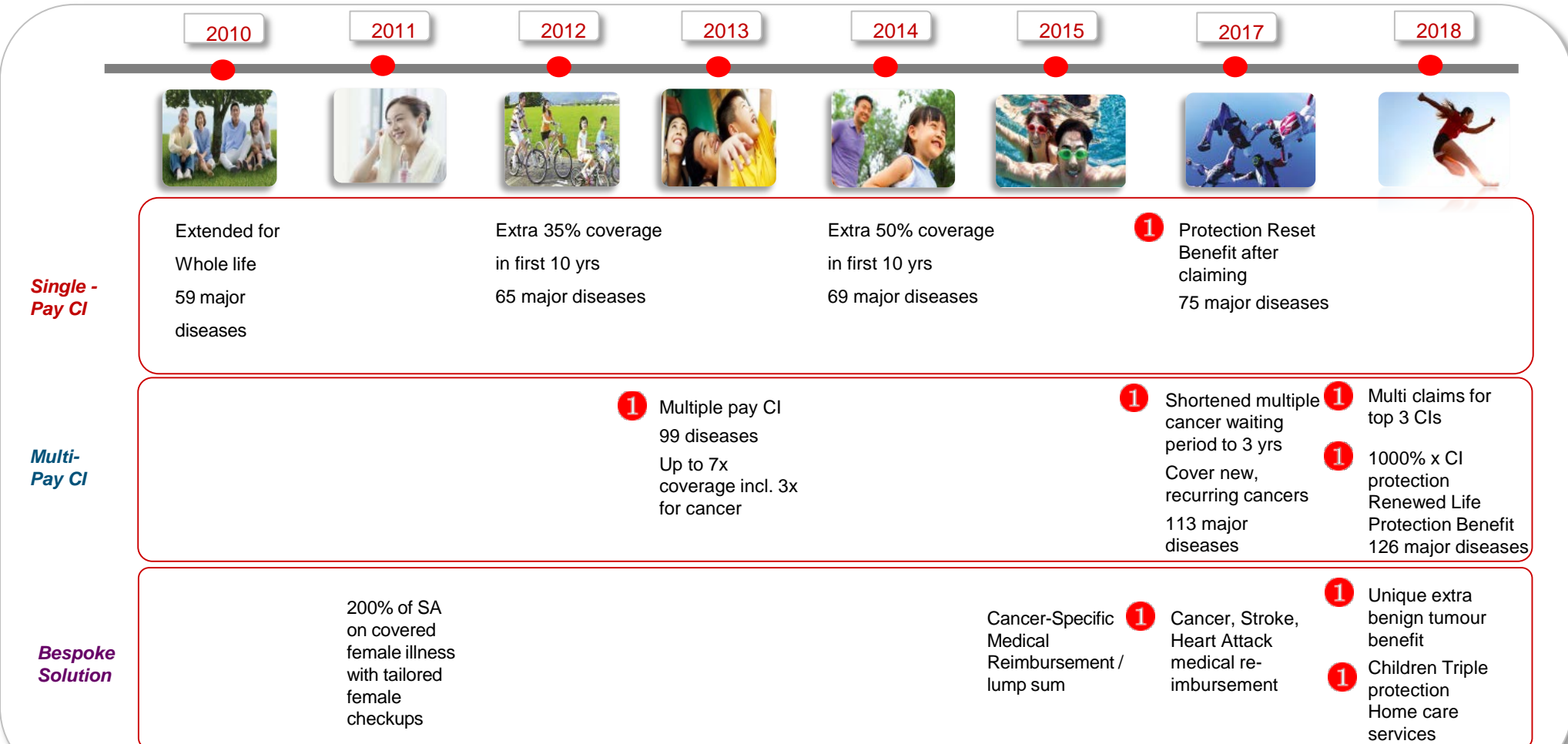
**26%**  
H&P APE  
mix<sup>2</sup>

**HK\$  
22bn**  
CI New Sum  
Assured<sup>1</sup>

**HK\$  
237bn**  
CI New Sum  
Assured<sup>3</sup>

1: As of FY 2010  
2: As of YTD Sep 2018  
3: As of FY 2017

**1** First in the market

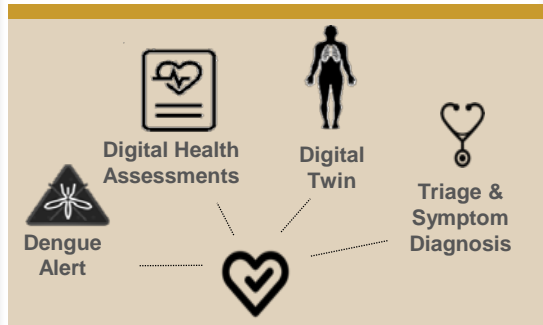


# Engaging with Value Added Services



## Holistic healthcare platform to engage

### Prevent



- Life Style and Wellness
- Risk Factor Identification



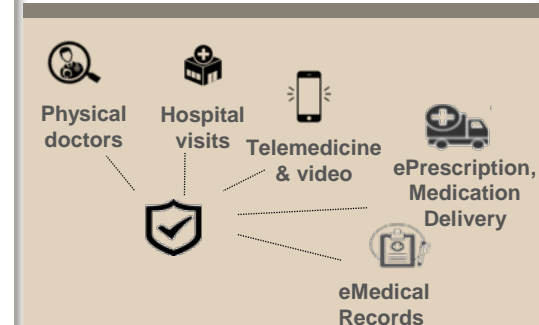
### Postpone



- Disease Management & Recovery



### Protect



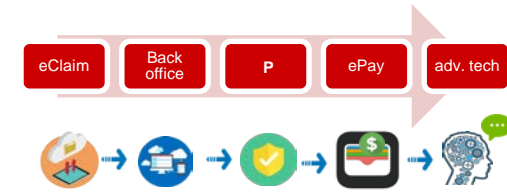
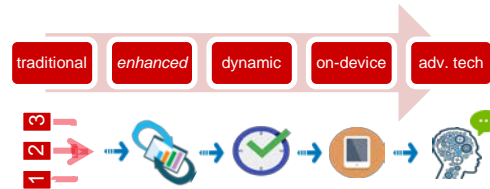
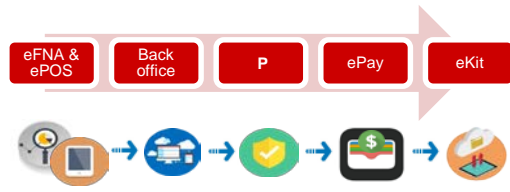
- Triage and Symptom
- Telemedicine, Prescription and Consultations
- Doctor discovery & booking
- Medical second opinion



**> 97% Customer Retention<sup>1</sup>**  
**Customer Satisfaction ↑ 5pt<sup>2</sup>**

1. Period: YTD Sep 2018; 2. PHKL Annual satisfaction survey

# Simple and seamless customer experience



## Next Best Offer



- Personalisation
- Real time customer analytics
- Instant recommendation

## Smart Underwriting



- Dynamic, Real time
- Reflexive questions
- Instant underwriting

## Frictionless Claims



- Simple and Direct
- Guided submissions
- Faster payment

**26%**

Critical Illness Acceptance<sup>1</sup>

**62%**

Policies Auto Underwritten<sup>1</sup>

**15%**

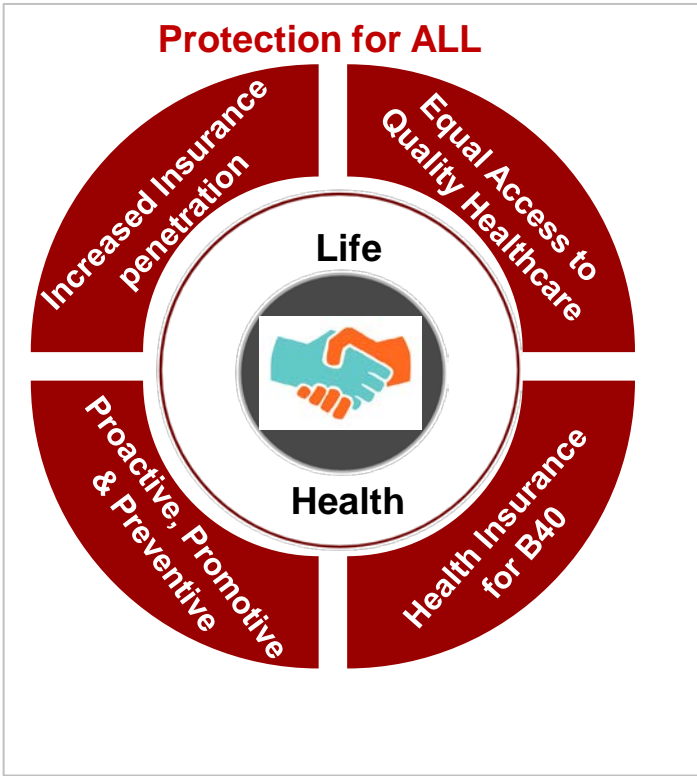
Jet Claims<sup>1</sup>



# Protection for ALL



## Alignment to Government's vision



### Mass Affluent

LIFE



TAKAFUL

### Mass

LIFE



#### Linked Protection Plans with riders



TAKAFUL

### Underserved

LIFE



TAKAFUL

### Value Added Services



Health coach



Counselling



78% (+5%pt)

Agency Protection Link mix

RM51bn (+6%pt)

Sum Assured



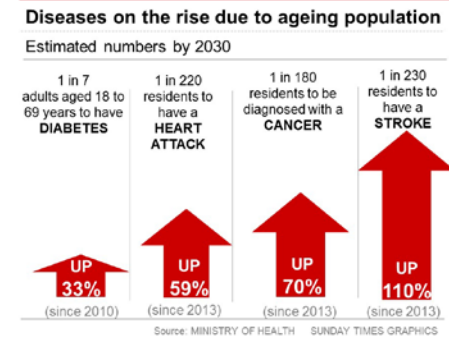
# Target segment opportunities



## Health and Protection

**US\$402bn**  
Mortality protection gap<sup>1</sup>

**12%** avg. increase  
in health care cost<sup>4</sup>



Emphasis on prevention and primary care

## Wealth

**47%** savings in cash<sup>5</sup>

Millionaires in Singapore ('000)



**US\$0.6tn**  
HNW Wealth<sup>6</sup>

Demand for diversified protection and wealth accumulation

## Business Owners

**99%** of enterprises<sup>3</sup>

employs **2/3** of workforce<sup>3</sup>

**49%** of Singapore's GDP<sup>3</sup>

Strong government drive to grow SMEs

1. Source from Swiss Re  
2. Source from Bain & Company  
3. Source from Singapore Department of Statistics

4. Source from Singapore Ministry of Health (2013-2018)  
5. Source from Blackrock Global Investor Pulse  
6. Capgemini – Asia Pacific Wealth report 2017

# ... with meaningful and relevant propositions



**24%** NBP growth<sup>1</sup>

**2.8** policies per customer<sup>1</sup>

## Health conscious millennials



Health: Peace of mind



Protection: Financial independence

**PRU**vital cover



Excuse me, are you a millennial? Time to get financially sound

A millennial's road to financial independence doesn't need to have a rocky start. Here are three issues millennials can address to secure their future.

[READ MORE >](#)

## Families with dependents



Saving for milestones in life



Customised savings options



Lumpsum at maturity

## PRUActive saver



**THE DAY ALAN RETIRES.**  
And it all starts now with a 28 year savings plan and 26 years of premiums at just \$800 a month.

**PRU**Active Saver

You decide the term. You decide the premium. We just help you get there.



**THE DAY ALAN SENDS HIS DAUGHTER TO UNI.**  
And it all starts now with a 12 year savings plan and 8 years of premiums at just \$500 a month.

**PRU**Active Saver

You decide the term. You decide the premium. We just help you get there.



# All inclusive solution



## High Net Worth

- Advice as a product
- Premium Positioning

**46** Private  
Wealth Consultants<sup>1</sup>

- Preferential VIP services



OPUS<sup>SM</sup>  
BY PRUDENTIAL



Estate planning



Wealth planning



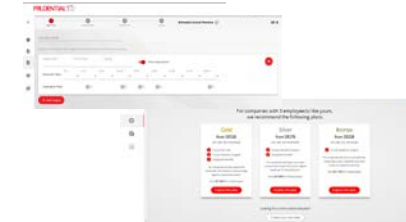
Tax and Legal planning

- Rewards & Recognition



## Small Medium Enterprise

- Advisor led sales portal
- Premium Positioning

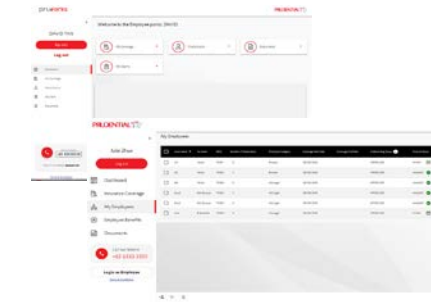


- Competitive Insurance Solutions



pruworks

- HR & Employee portal



- Value Added Services

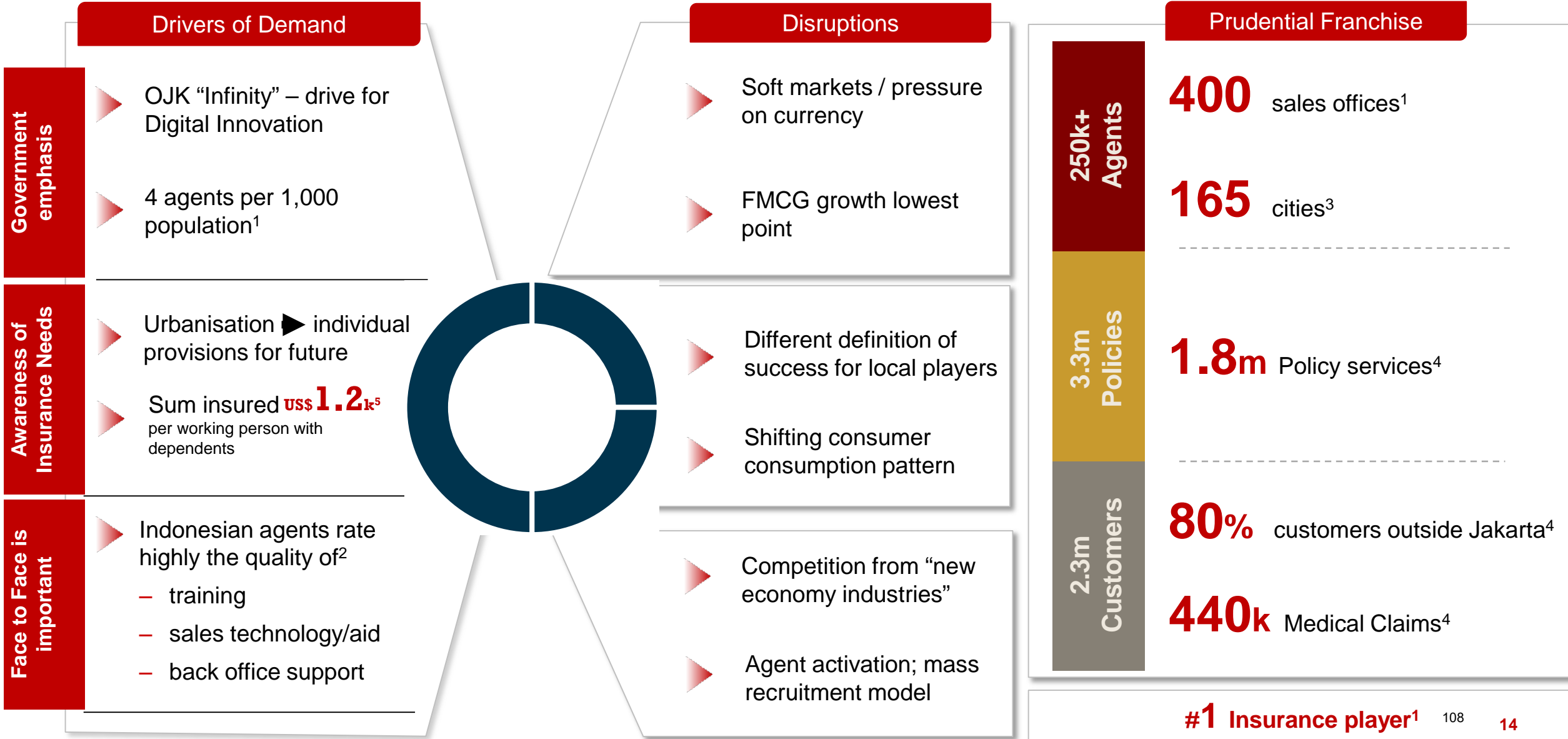


## Replicable model to build and expand in Asia



- † **Enabling** an integrated set of services across Asia
- † **Differentiated** enterprise solutions, stepping away from price war
- † **Extending reach** to through deepened relationship

# Fundamentals still intact



1: AAJI, WFYP basis; 2. UBS; 3: As of HY 2018; 4: As of FY 2017; 5. Swiss Re Mortality Protection gap

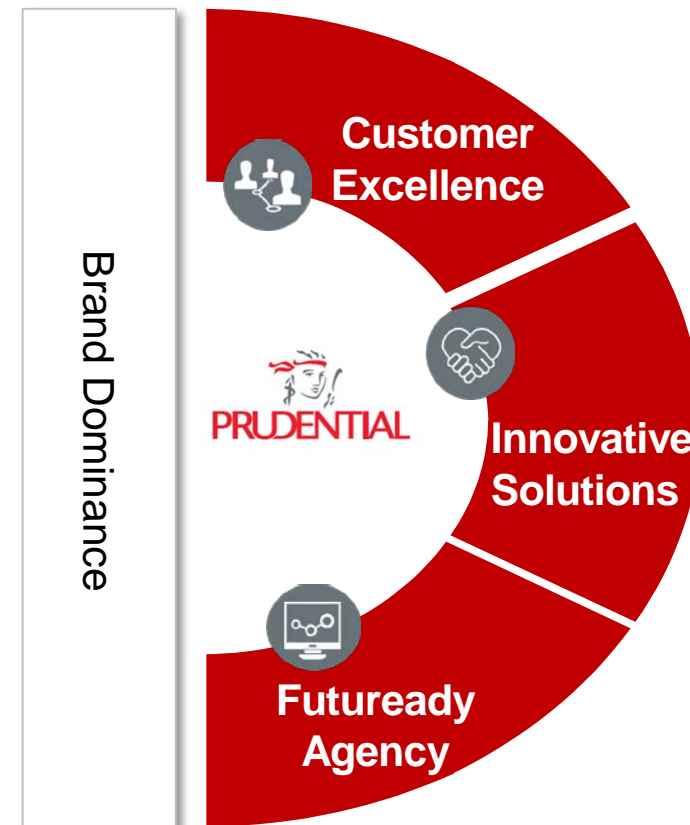
# Innovating for growth



## Progress so far



## Investing in Growth & Innovation to expand market leadership





# Customer experience for growth



Social media



Search engine



Blog



Corp Web



ePrudential



PRUaccess

PRUonline (web and mobile app)

Corporate website



PRU Medical Network



- ATL advertising
- Awareness programs
- Customer events
- E – Submission
- E-Payment
- 400 GA offices
- Brand Activation
- CSR events
- Focus groups
- Instant Underwriting
- Policy services
- 54 Pru Medical Networks
- 
- Claims services
- 186 Preferred Hospital

Customer Interface



# The solution that gives more



Ada yang baru nih dari Prudential:



**PRUlink  
generasi  
baru**

**PRUlink  
syariah  
generasi  
baru**



Investasinya, makin lama makin jadi...  
Proteksinya sehat sekarang, aman sampai nanti...

**Pasti Dikasih Lebih**



1

**PRUbooster investasi**

Additional allocation for investment from day 1

**PRUbooster proteksi**

additional 5% of Death SA until 55 yo



2

**Free Admin Charge**

With digital and direct debit bank account only

**Additional Cover Booster**

Double basic SA for death due to accident



3

**First Year Allocation**

30% allocation since the first payment

**New Riders**

2 new critical illness riders

**NEW**



**Sep'18**

Launched



**Integrated**  
Marketing campaign



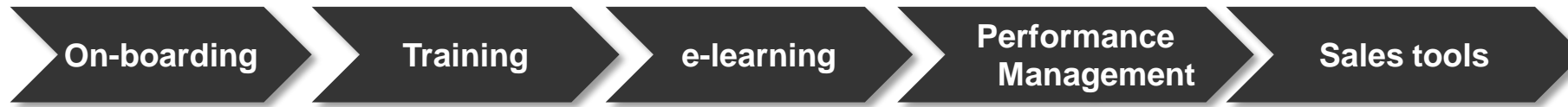
**35k agents**  
Digitally certified  
in 4 weeks



# FUTUREREADY Agency



Agent's segment



**Ease**

**Fast**

**Convenient**

PRUforce



Seamless process



**PruExpert**  
Learning System  
On Demand



**PruFit**  
Data driven performance  
Increasing touchpoint  
Persistency



Flexible and interactive  
Instant illustrations  
Online approval

**5days**

Agent's on-boarding

**650k**

Man hours of e-learning

**99%**

e-submissions for new product

**74%**

instant underwriting

**81%**

e-policy

**#1**  
*Run to MDRT*

**+80%**  
PRU Elites Club

**3x**  
Recruits vs next competitor

**22%**  
Agency Market Share

**#1**  
Most recognised and trusted brand<sup>1</sup>

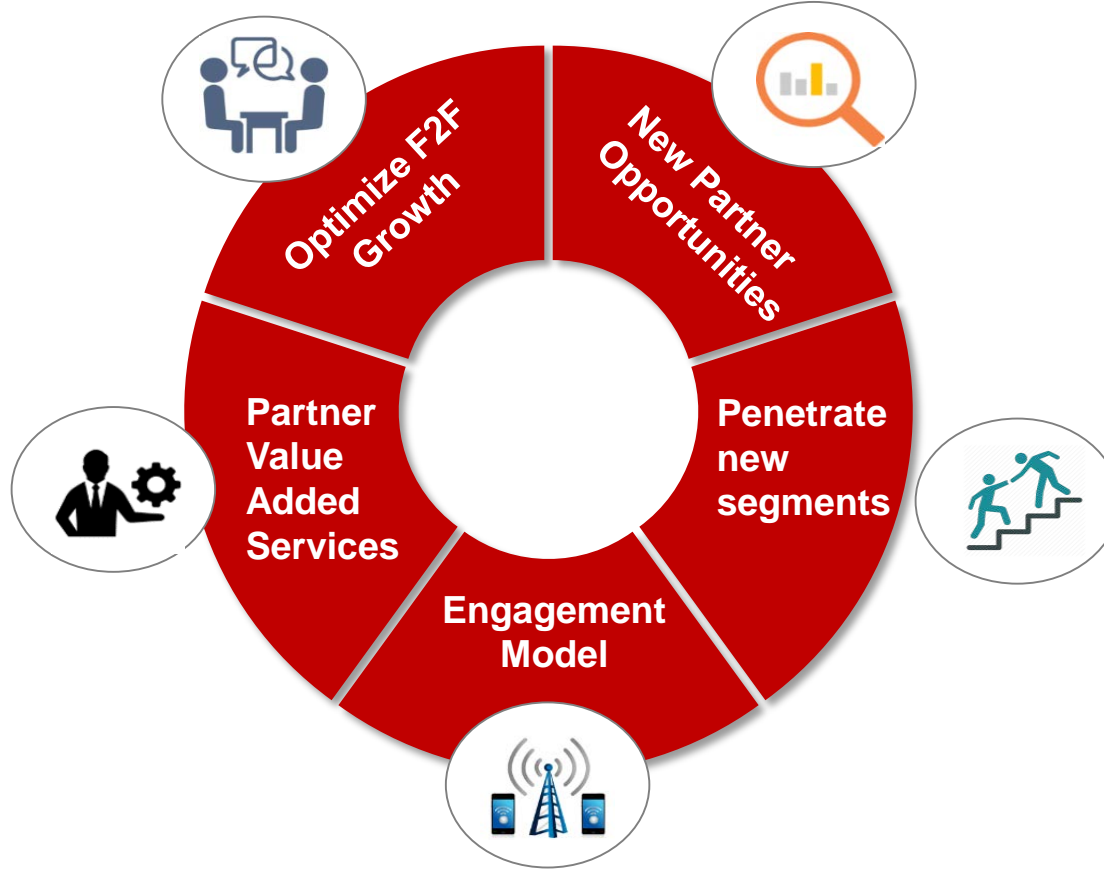
# Re-imagining partnership distribution

> **100** partners

Strategic MNC and local partners

Segmented approach by wealth

**#1**  
Pan Asia Bancassurance Franchise<sup>3</sup>



**New wave** of partners

Segment by customer persona

Reach New and Growing Segments

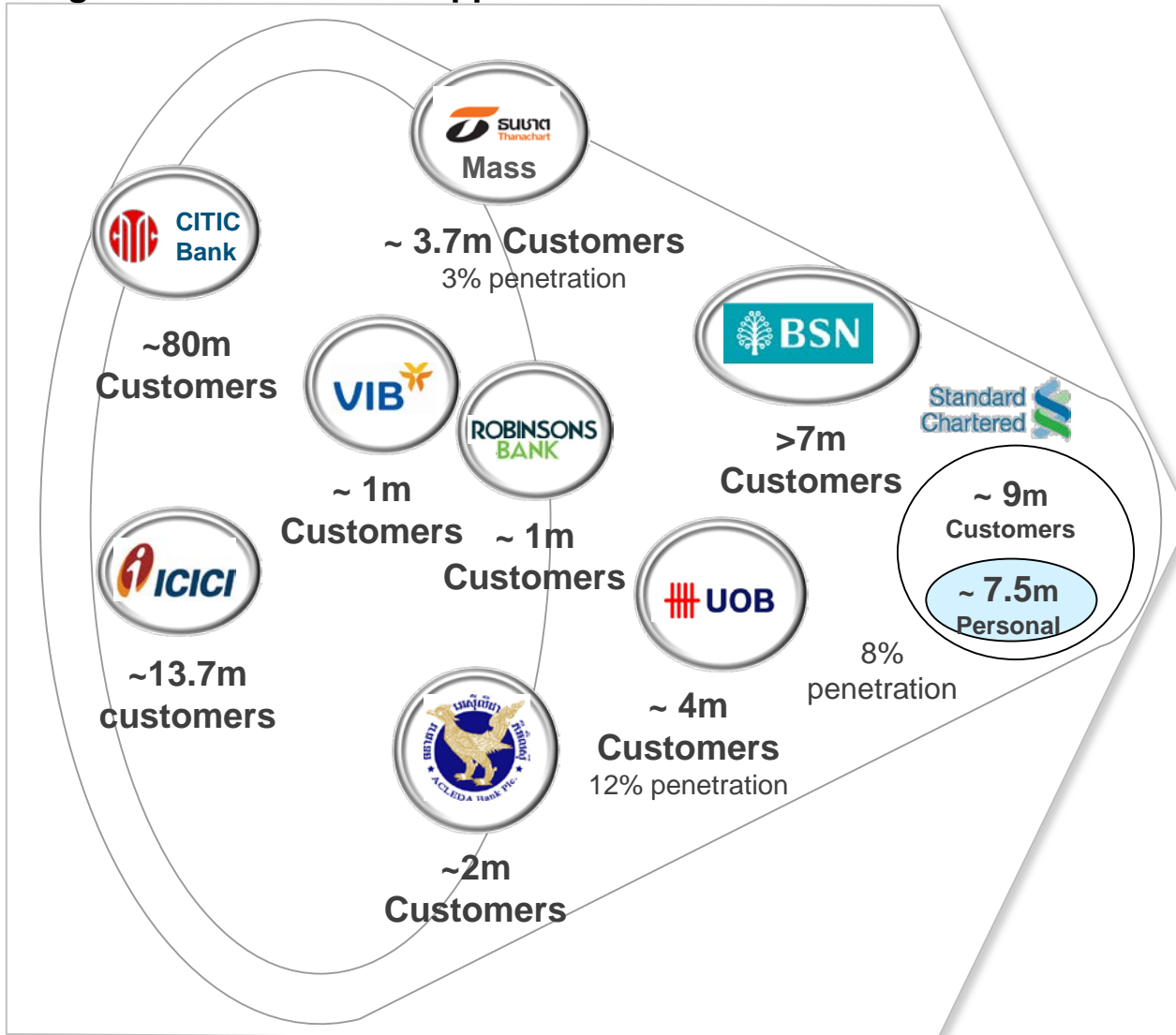
**Broadened** customer base

Partnerships Contribution **20%** 2007<sup>1</sup> → **30%** 2017<sup>2</sup>

1: APE As of FY 2007  
2: APE As of FY 2017  
3: NB APE; based on local market data

# Optimising strategic partners

## Significant Penetration Opportunities



## PRU SCB taking the partnership to the next level



**+17%<sup>2</sup>** NBP

- Global banca platform - integration of Prudential insurance data into SCB bank systems
- Mobile online product offering
- Next best offer capability

## PRU VIB Vietnam expanding relationship

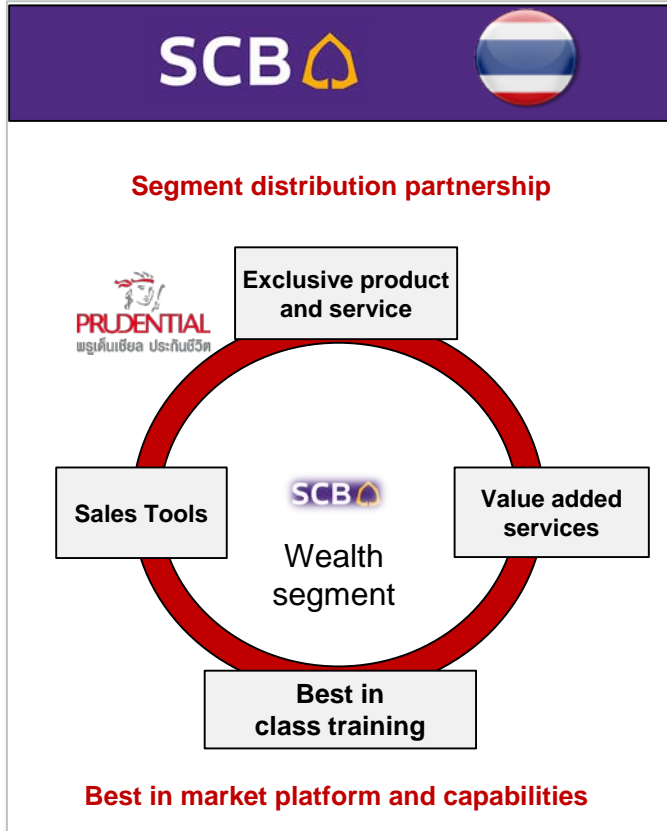


**+198%<sup>2</sup>** APE

- Expansion of bank staff specializing in insurance
- Digital Bank of the Year 2017 and Best Retail Mobile Banking Experience 2017

# Re-inventing partnership distribution

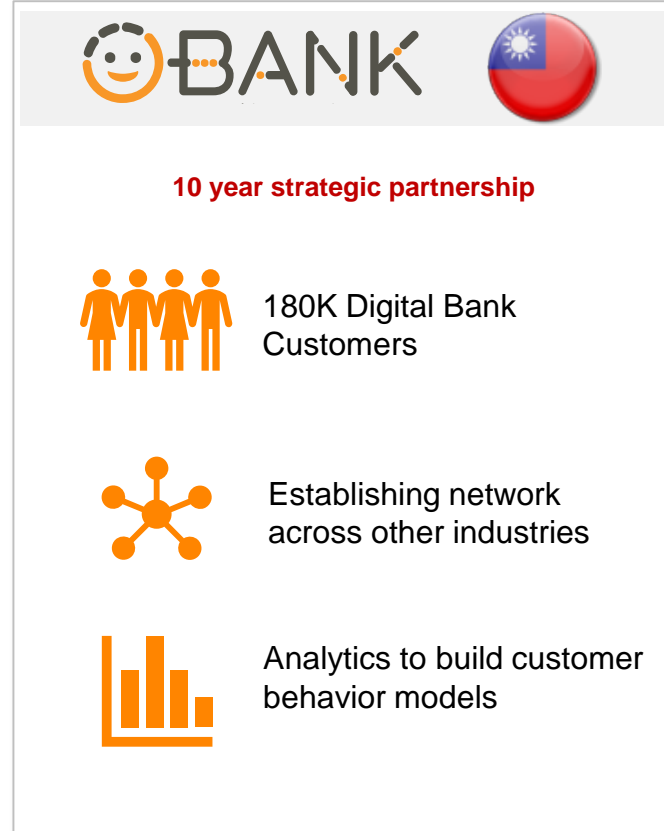
## New way to partner



**17%**

APE from Siam CB YTD  
**Distribution Access**

## New wave partner



**29%**

Digital bank account market share  
**Customer Access**

## New wave partner



**110m**

Customers accessible via Indosat  
**Data Insight**

# Structural Growth Drivers



## Drivers of Demand

- ▶ Rapid expansion of urban middle class  
**57%** urbanisation rate<sup>1</sup>
- ▶ Increasing customer sophistication  
Seeking quality healthcare and protection for families
- ▶ Aging population → retirement planning  
**35-40%** of population at retirement age by 2050<sup>3</sup>

## Supervision Fostering Sound Development

- ▶ CBIRC - “1+4” Supervisory Policies
- ▶ Healthy Development of Insurance
  - ┆ Risk Management / Market Conduct
  - ┆ Remove Shortcomings / Expand capacity



## Alignment to economic / social goals

- ▶ State Council
  - ┆ 2x insurance penetration to **5%**<sup>2</sup>
  - ┆ Protection nature of insurance
- ▶ 19th China's Party Congress
  - ┆ Coordinated development with technology innovation, modern finance and people



# Advantaged platform for value creation



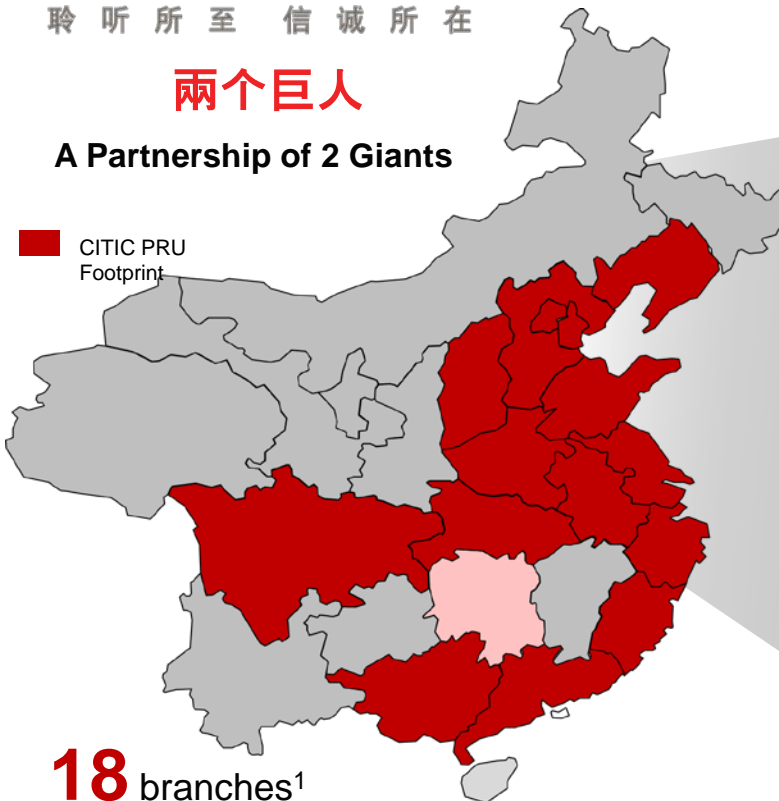
人 寿 保 险

聆 听 所 至 信 诚 所 在

兩個巨人

A Partnership of 2 Giants

CITIC PRU  
Footprint



18 branches<sup>1</sup>

80 / 204 CSOs / SSOs<sup>1 & 4</sup>

## Established Multi-Distribution

- ▶ Agency: Active and performance driven
- ▶ Banca: Insurance specialist tailored to partners
- ▶ Corporate – offers group life
- ▶ Online (Yijiu) –affordable protection to all

20% # of Agents growth<sup>1</sup>

45% Banca NBP Growth<sup>1</sup>




31% Group APE Growth<sup>1</sup>

10k Policies

## Award Winning Propositions

- ▶ 尊享惠康 (Premier Critical Illness)  2017 Golden Award
- ▶ 普惠健康管理服務平台 (Health management platform)  2017 Innovative Servicing award
- ▶ 傳家 (Wealth Management Platform)  2017 Best wealth transfer management

## Making it easy for customers

		
行銷 Point of sales	Policy Servicing	E-Claims
30 min Submission time	90% Self service	99% Through WeChat

Best in class risk management capabilities

A-rated Service by CIRC



1. Period YTD Q3 2018  
2. E2E: End to End  
3. CSO: Customer Service Office & SSO: Sales Service Office  
4. Source from China Insurance Regulatory Commission (CIRC)

# Multi-dimensional delivery



Geographical in-depth expansion

Multi-distribution

Operational efficiency

Building talent

2000

**1 branch**  
In Guangdong

2008

**10 branches**  
**1% / 5%**  
Agency / Total market share

APE

**34% CAGR**(2008-17)

2012

**634 customers**  
**12k agents**  
**13 branches**

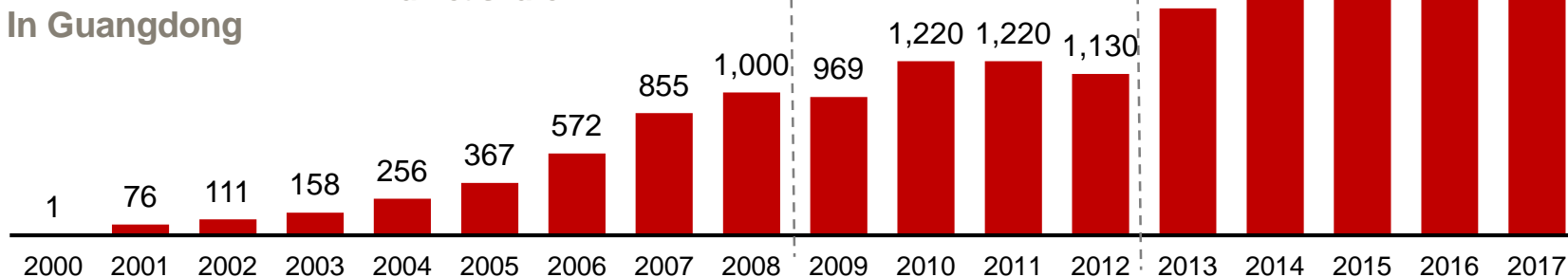
2017

**1.1m customers**  
**18 branches**  
**18 bank partners**  
**45k agents**

**13% / 8%**  
Agency / Total market share

PRU chairmanship **3,580**

Local leadership **2,730**



## Scale and Discipline

**NBP**  
2012-2017

**5.9x**  
(¥2,321m)

**Pre-tax Profit**  
2012-17

**4.1x**  
(¥1,421m)

**Total Assets growth**  
(¥64,306m<sup>1</sup>)

**23% CAGR**  
2012-17

**Solvency Ratio**

**290%**  
FY 2017

**3rd largest market in PCA Insurance Volume and Value**

Note: 1. Market share based on WFYP for Foreign Players only; 2. Bar chart is on APE (RMB'm); Figures are at 100%



# Expanding presence



人寿保险  
聆 听 所 至 信 诚 所 在

## Life Insurance

“Protection nature”  
Penetration 3%<sup>3</sup>

- ✓ Core business
- ✓ Value creation and capital efficiency

- RMB 601bn Life Sum assured
- 33% CAGR (2013-17) Sum Assured

## Health insurance

Healthcare spend  
¥7tn by 2020<sup>4</sup>

- ✓ Separate vertical capability
- ✓ End to end health care proposition

- 30% CAGR (2013-17) CI Sum Assured

## Asset Management

AUM for insurance industry:  
¥17tn<sup>1</sup>

- ✓ Enable wider investment
- ✓ Investment optionality for customers and CPL

- Regulatory approval to establish an insurance asset management company

## Pension

Public Pension Gap<sup>2</sup>:  
¥1.2tn

- ✓ Enterprise annuities and tax-deferred pensions
- ✓ Expertise in annuity and retirement

- Launched tax deferred pension (first batch approved)

Role model with respect to business scale, value and profits delivery and best product solutions and services to customers



# Seizing the growth opportunity



## Geographic expansion

- Identify Talent → Establish “Institution”
- Expansion to central and western
- Replicable model efficient expansion

### Henan Showcase

<p>Henan</p>	<p><b>95m</b> population China's 3<sup>rd</sup> largest province</p>	<p><b>Results</b></p> <p>2015 Started operations</p> <p>+113% APE</p> <p>+135% NBP</p> <p>APE &amp; NBP growth for 9M 2018</p>
	<p><b>5<sup>th</sup></b> largest provincial GDP in China - 1<sup>st</sup> among inland provinces</p>	

- 1<sup>st</sup> in Henan to set up sales office
- Rated A two years in a row

## Future ready distribution

### Agency

- † Professional force
- † Data driven performance management

### Partnerships

- † OTO (online to offline) leveraging technology
- † Partnerships with e-commerce platform

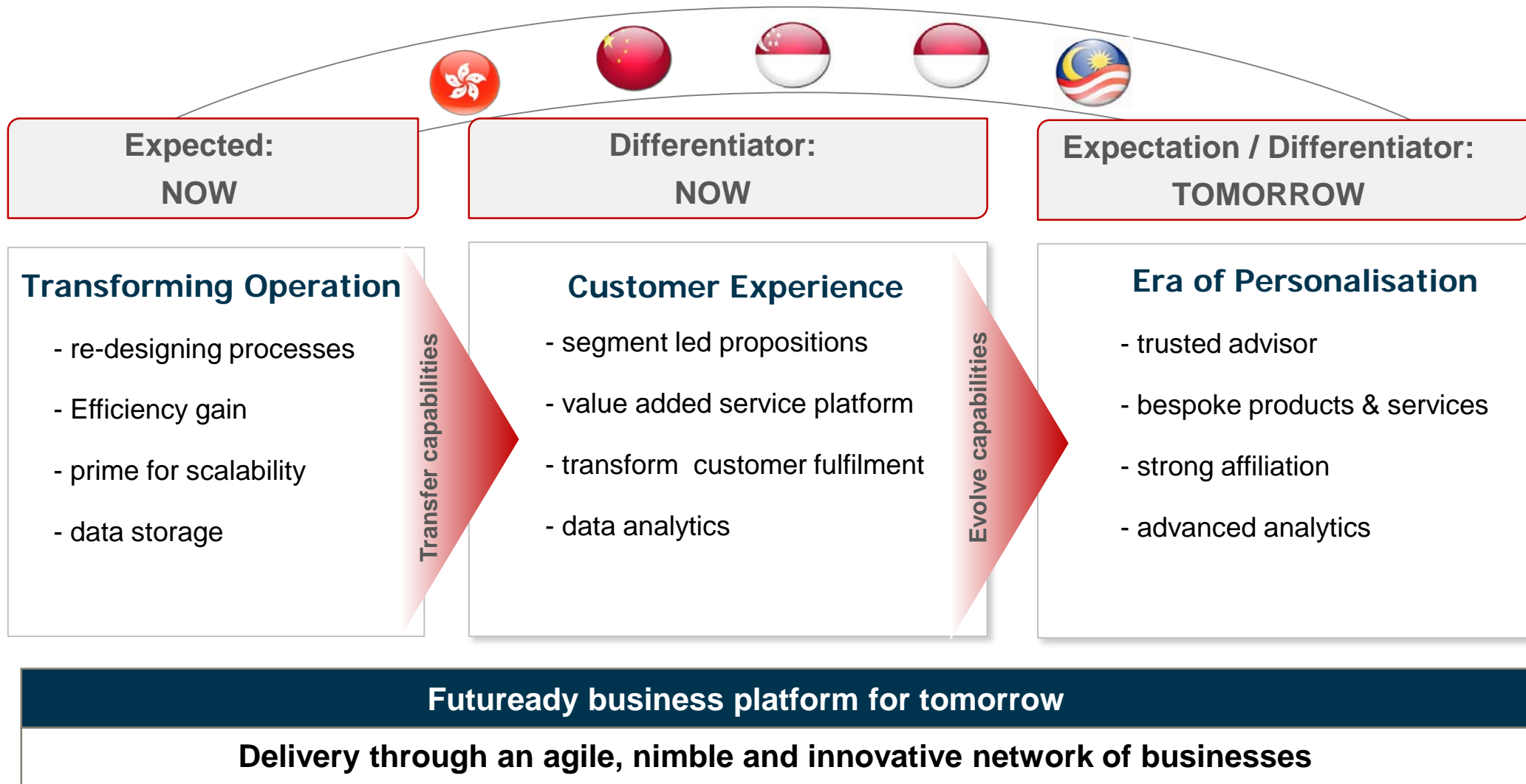
## Ease of doing business

<p><b>AG Digital</b></p> <ul style="list-style-type: none"> <li>• 2018 Innovation projects</li> <li>• Smartpad for sales (“e Xing xiao”)</li> </ul>	<p><b>BA Digital</b></p> <ul style="list-style-type: none"> <li>• Optimization Points</li> <li>• Smartpad for sales (“Xin Bao Tong”)</li> </ul>	<p><b>Policy Service Digital</b></p> <ul style="list-style-type: none"> <li>• Intelligent Policy</li> <li>• e-policy</li> <li>• e-claim</li> </ul>	<p><b>Financial Digital</b></p> <ul style="list-style-type: none"> <li>• Financial System Planning</li> </ul>
---	---	--	---

## Relevant Customer Propositions

<p>Expert advice, legacy planning</p>	<p>Premier CI &amp; healthcare</p>
<p>High Net Worth</p>	<p>Mass Affluent</p>
<p>Retirees</p> <p>Leverage expertise</p>	<p>Juveniles</p> <p>Education &amp; protection</p>

# Ready for next wave of growth



# Eastspring

## Guy Strapp

Chief Executive Officer  
Eastspring Investments



**Guy Strapp**  
Chief Executive Officer



**Accelerate Eastspring – Strategic Update**



**Michelle Qi**  
Chief Investment Officer



**Enhance Distribution & Coverage – Capture Opportunities in China**



**Colin Graham**  
Chief Investment Officer  
Multi Asset Solutions



**Expand Investment Offering – Multi Asset Solutions**

# Leading player in Asia

Accelerate Eastspring



Note: ranked the #1 retail asset manager in Asia by Asia Asset Management in 5 out of the past 6 years (2012, 2013, 2014, 2016 and 2017). Awarded Asia Fund House of the Year by AsianInvestor in 3 of the past 4 years (2015, 2017 and 2018)

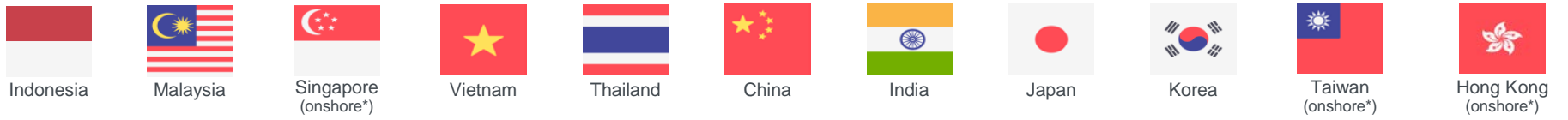
# 350+ Investment Professionals in Asia

## Accelerate Eastspring



# Unrivalled footprint in Asia

## Accelerate Eastspring

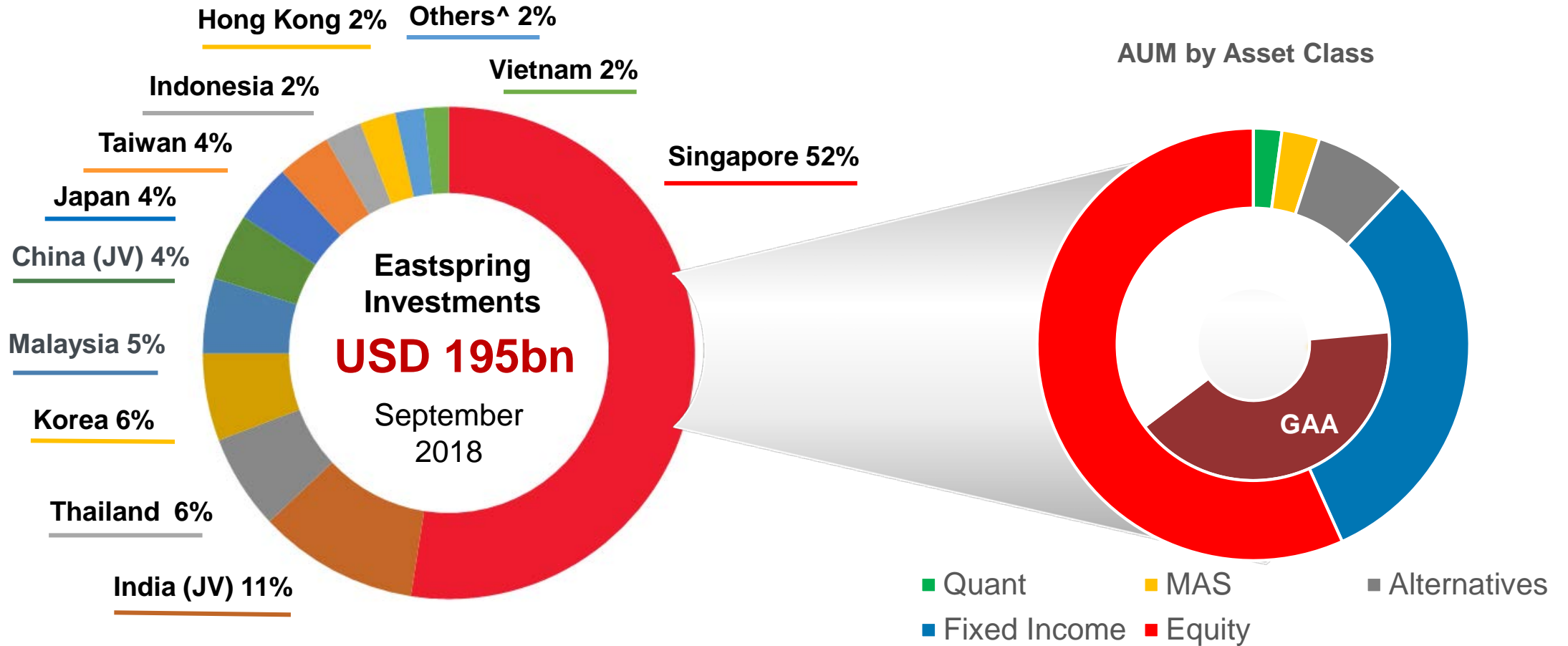


Sources: Singapore, Malaysia, Thailand and Hong Kong (Morningstar), Korea (Korea Financial Investment Association), India (Association of Mutual Funds in India), Japan (Investment Trusts Association, Japan), Taiwan (Securities Investment Trust & Consulting Association of R.O.C.), China (Wind), Indonesia (Otoritas Jasa Keuangan), Vietnam (State Securities Commission of Vietnam). All markets as of Sep 2018. Eastspring JVs include HK, India and China. Japan reflects Publicly Offered Investment Trusts market presence. China reflects public mutual funds market presence. Vietnam reflects open-ended mutual funds market presence only. \*Market presence based on whether the AMCs offer onshore domiciled funds. Market ranking based on 100% shareholdings



# Eastspring Profile

## Accelerate Eastspring



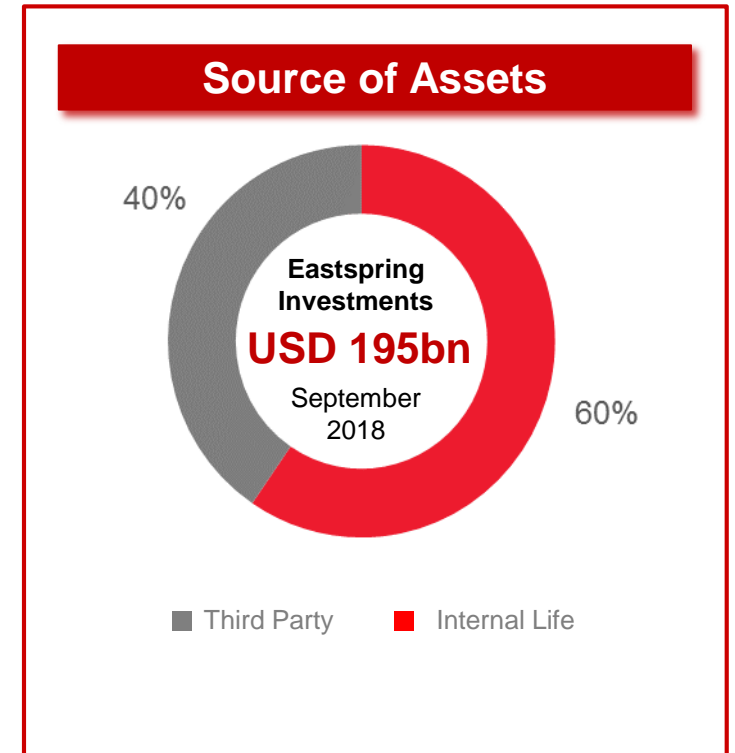
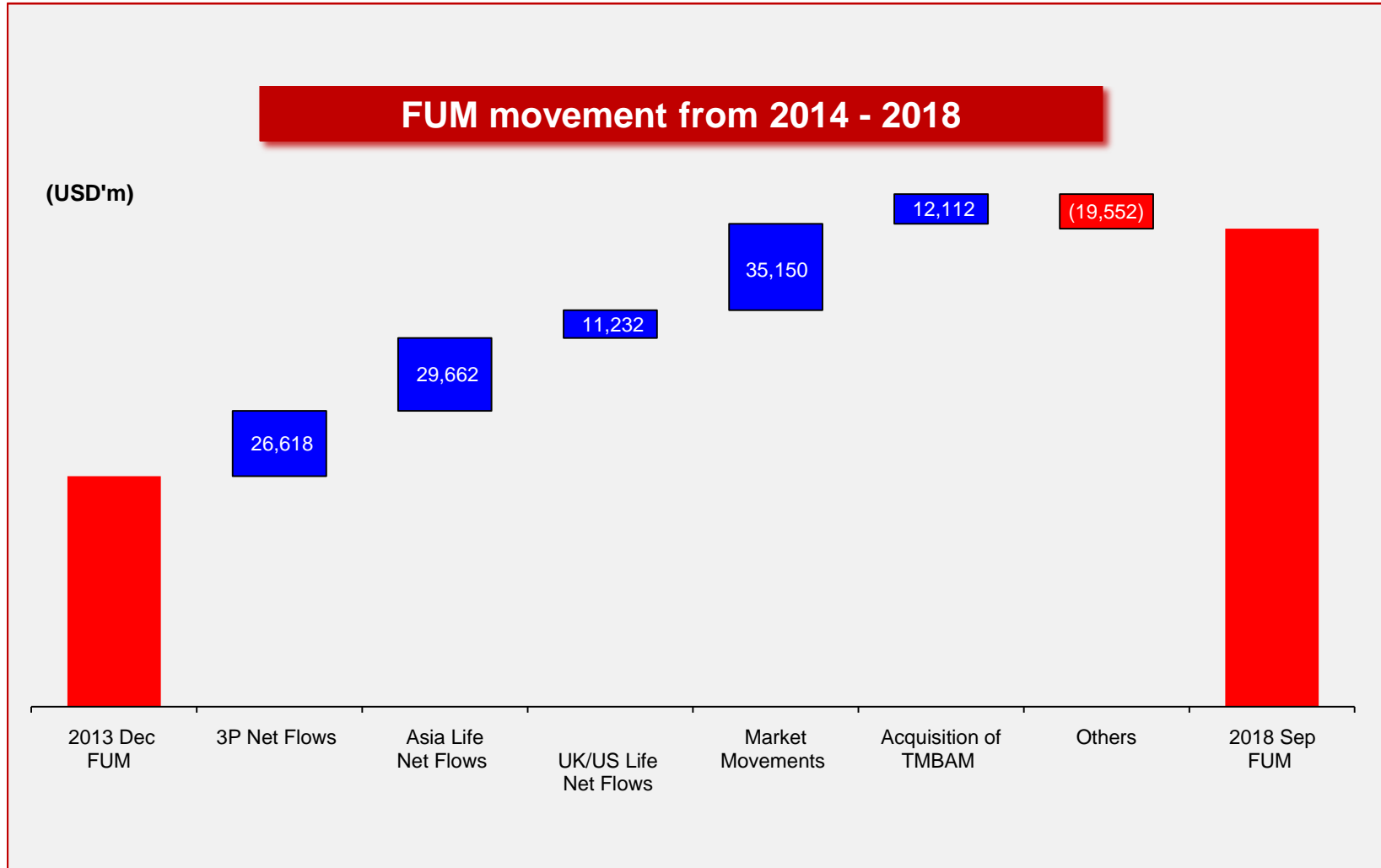
**Ability to accelerate in key growth markets**

Source: Eastspring Investments as at 30 September 2018. AUM includes Joint Ventures' AUM based on % of ownership  
 \*Joint ventures: India - ICICI Prudential Asset Management Co Ltd, Hong Kong - Bank of China International – Prudential Asset Management and China - CITIC-Prudential Fund Management Co Ltd. ^ Others – Includes funds sub-managed by our affiliate companies. Note: bn = billion.



# AUM has doubled in five years

## Accelerate Eastspring



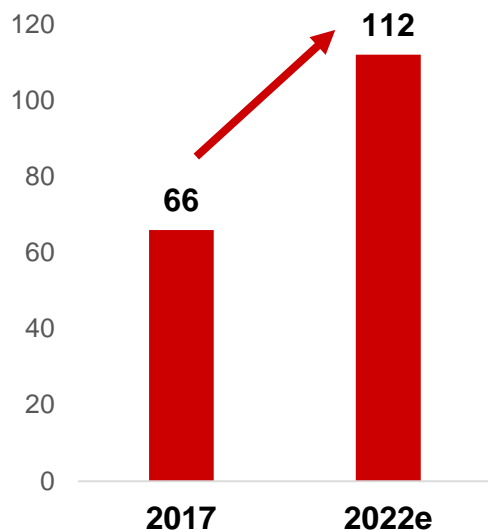
Source: Eastspring Investments as at 30 September 2018.  
Notes: Figures in USA and Actual Exchange Rate  
3<sup>rd</sup> Party Net Flows also include Money Market Funds

# Immense opportunity – strong structural growth story

## Accelerate Eastspring

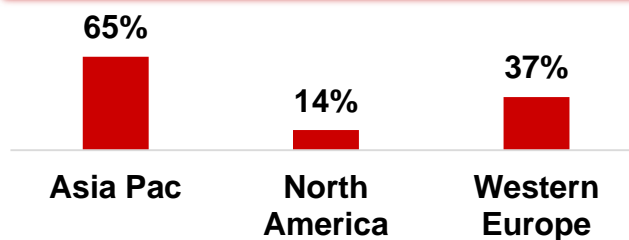
### Asia asset management revenue pool \* (\$bn)

2017 – 2022e CAGR 11%

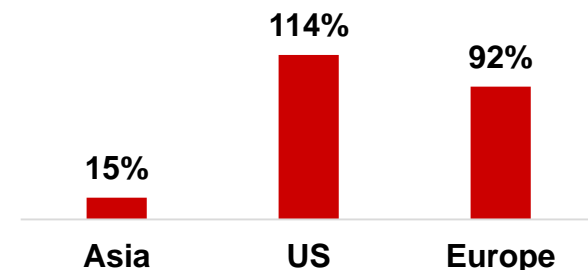


### Asia Tailwinds

#### % of wealth in cash and deposits



#### Mutual Fund AUM as % of GDP



### Our strengths



Operating in 11 Asian markets



World class Value Equity and largest Asian Fixed Income team



High calibre Alternatives team



15 years' of Asset Allocation experience

Source: McKinsey report "Will the good times keep rolling for Asia's asset managers" October 2018

\*Revenue pool refers to traditional assets, excluding alternatives

BCG report "Transforming the client experience" June 2017

Investment Company Institute, industry associations, Datastream.

# Progress made against key priorities in 2018

## Accelerate Eastspring

### Deepen investment capabilities

- Strengthen offering in existing asset classes and diversify styles
- Develop strategic product partnerships to complement gaps

### Enhance distribution and coverage

- Capture opportunities in China
- Strengthen institutional capability
- Expand geographically to compliment Life footprint

### Transform the way we work (Target Operating Model)

- Improve our ability to scale at pace
- Enhance risk management and control
- Centralisation and standardisation

### Progress in 2018



**18** New senior investment professionals hired



Thailand



**95%+** of Eastspring assets migrated



Launching **Robo Advisor** platform in Taiwan

# Deepen Investment Capabilities – strong platform

## Accelerate Eastspring



### Equities

#### Singapore

- Value Equities
- Equity Income
- Japan
- Greater China
- India
- Regional Asia
- ASEAN
- GEM
- Asian Small Caps

#### Indonesia

- Indonesia Equity
- Syariah Equity
- Value Discovery

#### Malaysia

- Regional Equity
- Greater China Equity (Shariah)
- Growth
- Small Cap
- Dividend
- High Conviction
- AI- Wara Strategies

#### Korea

- Korea Growth Equity
- Korean Value Equity

#### Taiwan

- Local Equity
- Local Growth Equity
- Technology
- Global Equity FoF

### Fixed Income

#### Singapore

- Asian LCY Bond
- Asian USD Bond
- Singapore Bond
- Hong Kong Bond
- Thai Bond
- Philippine Bond
- Indonesia Bond
- Emerging Market Debt Bond

#### Indonesia

- Indonesia Local Bond
- Indonesia USD Bond

#### Malaysia

- Malaysia Local Bond
- Shariah Local Bond

#### Korea

- Korea Value Bond
- Standard Plus Bond

#### Taiwan

- Global Bond
- Money Market

### Multi Asset

#### Singapore

- Monthly Income Plan
- Global Multi Asset Income & Growth

#### Indonesia

- Balanced Fund

#### Malaysia

- Balanced Fund

#### Taiwan

- Global Balanced FoF
- GEM Balanced FoF

### Quant

#### Singapore

- Low Volatility Equity
- Global High Yield
- Multi Factor

#### Korea

- Multiple Quant Strategies

### GAA

#### Singapore

- Global
- Regional Asia

### Alternatives

#### Singapore

- Asia Syndicated Loans
- Asia Infrastructure Equity
- Global Private Equity
- Infrastructure Debt

JV ICICI Prudential	JV TMBAM	JV Citic-Prudential	JV BOCI-Prudential
<b>India</b> <ul style="list-style-type: none"> <li>• Diversified Equity</li> <li>• Thematic Equity</li> <li>• Multi Asset Strategies</li> <li>• Money Market</li> <li>• Government and Corporate Bond Fixed Income</li> <li>• Index Funds, ETF, Real Estate and Long Short</li> </ul>	<b>Thailand</b> <ul style="list-style-type: none"> <li>• Thai Fixed Income</li> <li>• Thai Equity</li> </ul>	<b>China</b> <ul style="list-style-type: none"> <li>• Value Equities</li> <li>• Equity Income</li> <li>• Relative return Strategies</li> <li>• Growth</li> <li>• Dividend</li> <li>• RMB Bond</li> <li>• Money Market</li> <li>• Balanced</li> <li>• Multiple Quant Strategies</li> <li>• Multi-Alpha Strategy</li> <li>• Global Commodity</li> </ul>	<b>Hong Kong</b> <ul style="list-style-type: none"> <li>• Money Market</li> <li>• High Grade Fixed Income</li> <li>• Country Fixed Income</li> <li>• Country Equity</li> <li>• Sector Equity</li> <li>• Thematic Equity</li> <li>• Factor Based Equity</li> <li>• Index Tracking Fund</li> <li>• ETFs</li> <li>• Balanced Funds</li> </ul>

# Deepen Investment Capabilities

## Accelerate Eastspring

		Korea	Japan	Taiwan	Malaysia	Indo	Singapore & HK	EMEA	US & Latam	India	China	Thailand
Global/Asia investments (Offshore)	Equity	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Light Blue	White	White	Light Blue
	FI	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Diagonal	Dark Blue	Dark Blue	Light Blue	White	White	Light Blue
	Quant	Light Blue	Light Blue	Light Blue	Light Blue	Dark Blue	Dark Blue	White	White	White	White	Light Blue
	MAS	Light Blue	Light Blue	Light Blue	Dark Blue	Light Blue	Dark Blue	Light Blue	White	White	Light Blue	Light Blue
	Others	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Dark Blue	Light Blue	Light Blue	White	White	Light Blue
Local investments (Onshore)	Equity	Dark Blue	Diagonal	Dark Blue	Dark Blue	Dark Blue	Diagonal	Diagonal	Diagonal	Dark Blue	Dark Blue	Dark Blue
	FI	Dark Blue	Diagonal	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Diagonal	Diagonal	Dark Blue	Dark Blue	Dark Blue
	Quant	Dark Blue	Diagonal	Diagonal	Diagonal	Diagonal	Diagonal	Diagonal	Diagonal	Diagonal	Dark Blue	Diagonal
	Others	Dark Blue	Diagonal	Dark Blue	Dark Blue	Light Blue	White	Diagonal	Diagonal	Dark Blue	Dark Blue	Light Blue
Partnerships	PPMA	Dark Blue	Light Blue	Dark Blue	Light Blue	White	Dark Blue	Light Blue	White	White	Light Blue	Light Blue
	M&G	Dark Blue	Light Blue	Dark Blue	White	White	Light Blue	White	White	White	White	Light Blue
	External*	Dark Blue	Light Blue	Dark Blue	Light Blue	White	Light Blue	Light Blue	Light Blue	White	Light Blue	Dark Blue

### Progress in 2018

- 44 New products launched
- 6 Bespoke solution created for our Life clients
- TMBAM** New Eastspring products in pipeline
- 2 New strategic partnerships

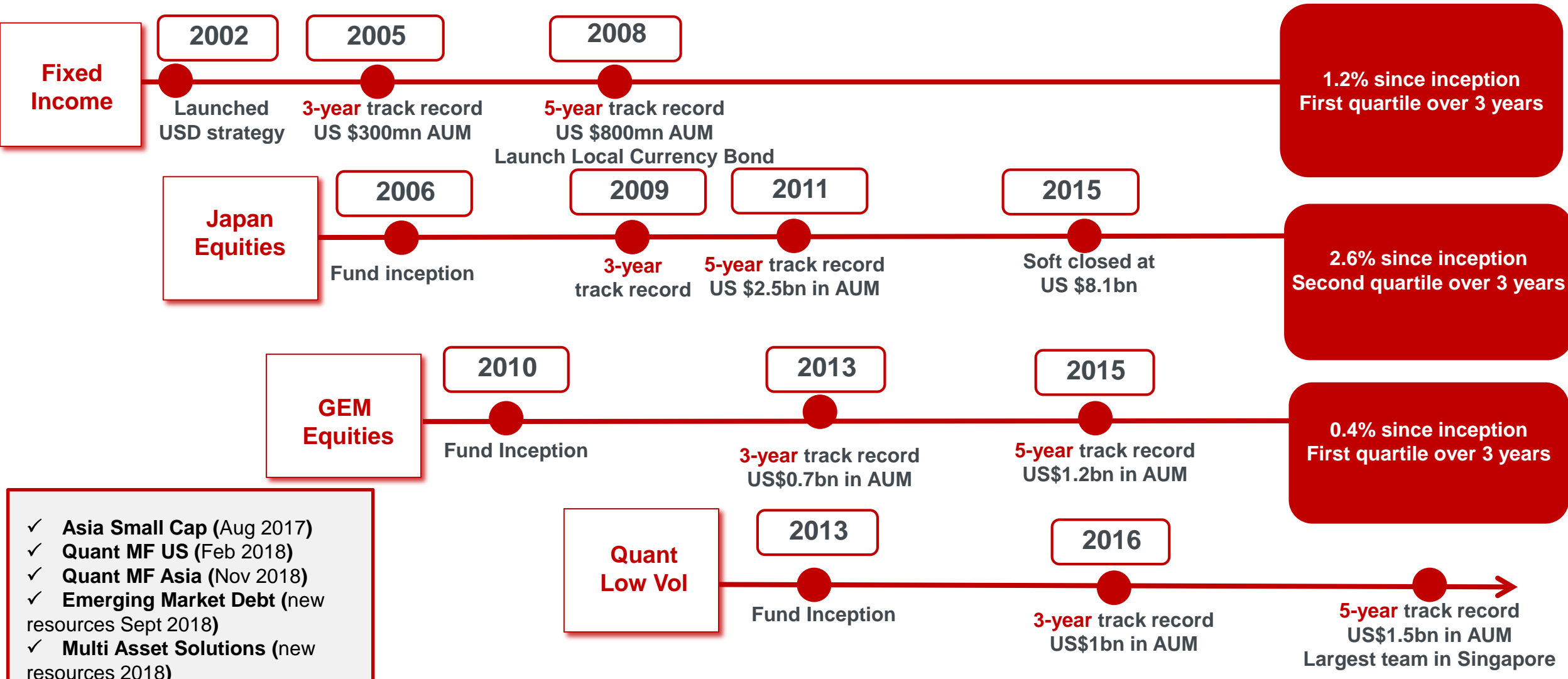
\*External = SGA, Vontobel, Henderson and Blackrock

	With existing institutional clients		Potential to develop institutional clients <sup>1</sup>		Category not applicable
	With existing intermediary / retail clients		Potential to develop intermediary clients <sup>1</sup>		Not available / low potential <sup>2</sup>

Others = Offshore others include: MMF, PE, Infra, any other alternatives, etc.  
Local onshore others include: same as offshore plus ETFs, index, MAS, etc.

# Deepen Investment Capabilities – continuous innovation

## Accelerate Eastspring



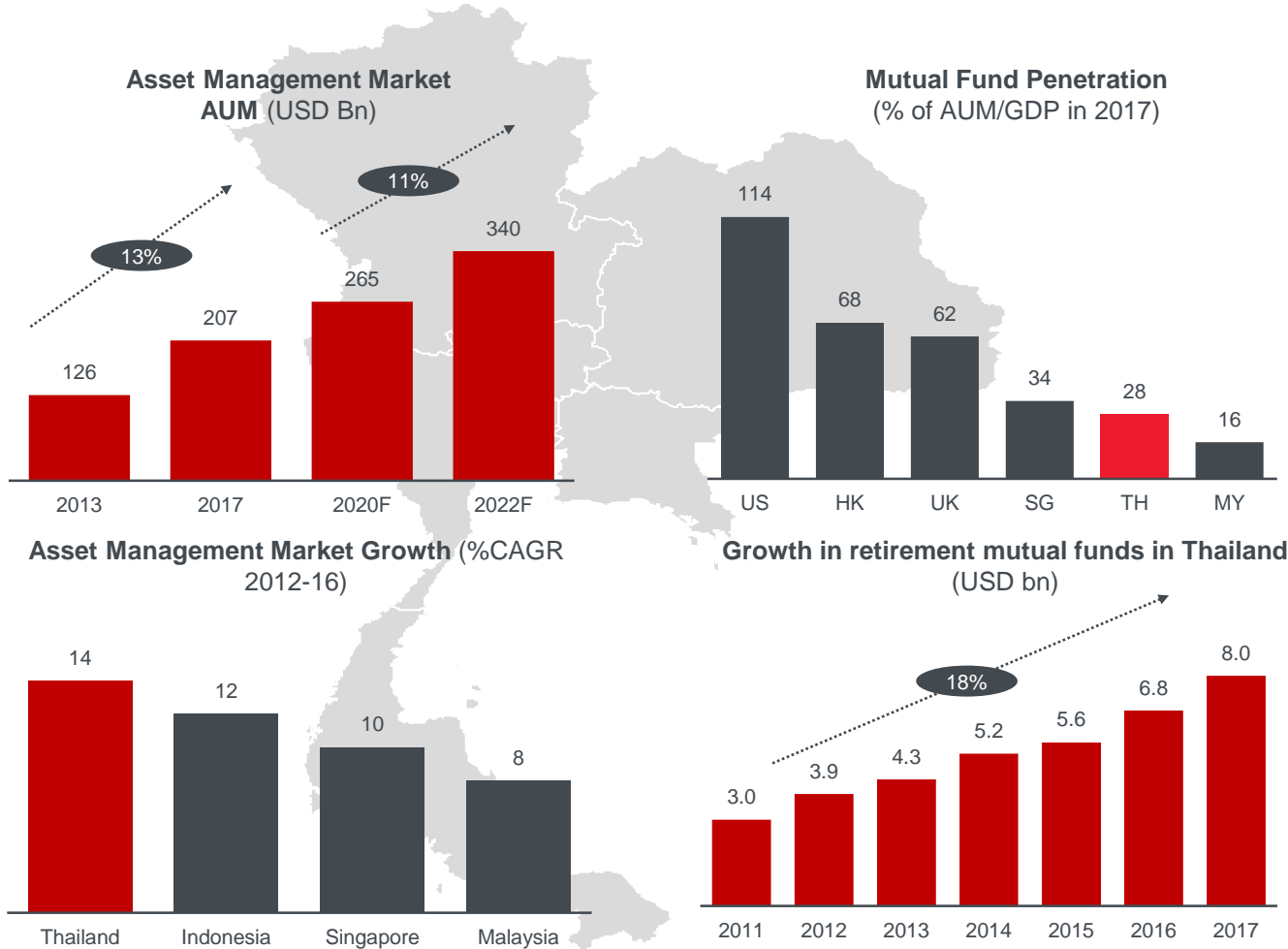
- ✓ Asia Small Cap (Aug 2017)
- ✓ Quant MF US (Feb 2018)
- ✓ Quant MF Asia (Nov 2018)
- ✓ Emerging Market Debt (new resources Sept 2018)
- ✓ Multi Asset Solutions (new resources 2018)
- ✓ China A Share (Q1 2019)

**By 2022, 6 new strategies will have a 3 year track record for 3<sup>rd</sup> party clients**

5-year track record  
US\$1.5bn in AUM  
Largest team in Singapore

# Enhance distribution and coverage – TMBAM acquisition

## Accelerate Eastspring



### TMB

- **7<sup>th</sup> largest bank** in Thailand in terms of assets (USD26bn) with **432 branches** and **6.4 million customers**



### TMBAM

- **5<sup>th</sup> largest asset manager** in Thailand with AUM of **USD13bn** and a **8% market share** as of Mar 2018



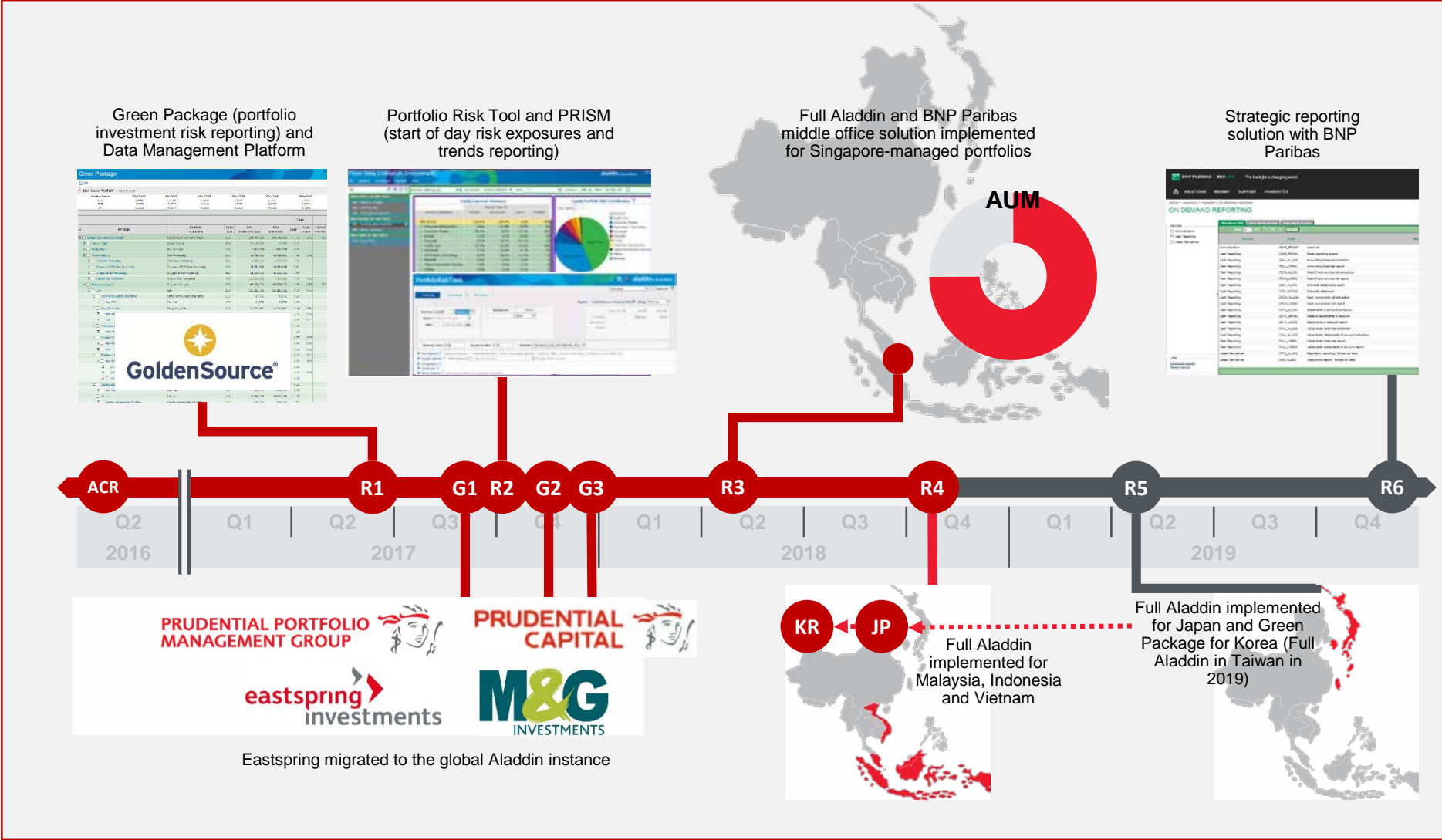
**Agreement to initially acquire 65% of TMBAM with an option to increase ownership to 100% in the future**

Note: Asset management AUM includes mutual fund, provident fund, private funds.  
Source: BCG.

# Transforming the way we work

## Accelerate Eastspring

### Progress in 2018







✓ **Project is under budget and delivered on, or ahead of schedule**

✓ **Benefits on track**

✓ **TOM has delivered a cost saving of £2.5m in 2018**



- 1  Accelerate Eastspring – Strategic Update
- 2  Enhance Distribution & Coverage – Capture Opportunities in China
- 3  Expand Investment Offering – Multi Asset Solutions
- 4  Summary

# Our presence in China

## Enhance distribution and coverage

JV

### CITIC-Prudential FMC



- ▶ Established in **September 2005**
- ▶ **Ranked #29** (excluding MMF) with AuM of **USD 17bn\***

### Eastspring Singapore



A member of Prudential plc (UK) 

- ▶ **5 Equity investment professionals** with average of **13 years'** investment experience
  - ▶ Key funds include: Greater China Equity Fund, China Equity Fund and Hong Kong Equity Fund
- ▶ **19 Fixed Income investment professionals** (8 focused on China)
  - ▶ Invests in foreign currency and RMB denominated bonds

NEW

### Eastspring Shanghai



英国保诚集团成员 



Established **WFOE** in Q1 2018



Registered as **Private Fund Manager** in Q4 2018

# Our China Strategy

## Enhance distribution and coverage

Investment flow

Market Size

China investors  
-> investing in China

2017: US \$18 Tn

2022E: US \$30 Tn

China investors  
-> investing offshore

2017: US\$ 193Bn

2023E: US\$ 711 Bn

Global investors  
-> investing in China

Inc AUM

Equity Indices Inclusion

~ US \$300 bn\*

Bond Indices Inclusion

~US\$286 Bn\*

Existing entities

Energise CITIC-PRU

Ramp up Eastspring China capabilities and China offshore sales

Newly set-up entities

Set up IM WFOE to operate as a private fund manager

Applied for QDLP quota

Note:

IM WFOE = Investment Management Wholly Foreign Owned Entity; QDLP = Qualified Domestic Limited Partnership

Sources: China Asset Management AUM: Oliver Wyman (Mar 2018), China Outbound Cross Border AUM: Z-Ben Advisors (Mar 2018), Equity Indices Inclusion Incremental AUM: Reuters (Apr 2018), Bond Indices Inclusion Incremental AUM: HSBC (Aug 2018).

\* Estimates for full inclusion into MSCI indices.

# Eastspring Shanghai WFOE

## Enhance distribution and coverage



5 March 2018



- Established WFOE

16 October 2018



- Registered as PFM
- 11 staff onboard

By end 2018



- Operationally ready

**aladdin**  
by BLACKROCK

By April 2019



- Launch 1st private fund  
(A-Share Equity Absolute Return Fund)

2019 onwards



- Build fixed income and multi-asset investment teams
- Launch subsequent private funds
- Secure mandates for offshore funds
- ~ 20 staff by Q4 2019

# Established high quality growth equity in < 12 months

## Enhance distribution and coverage



### **Michelle Qi, CFA (17 years' of industry experience)**

Chief Investment Officer - Equities, China

- BOCOM Schroders (2007 – 2018): Most recently as Deputy Head of Equity Investment and Head of QFII and QDII.
- Long-term investment horizon with strong sustainability focused approach to equity investing



### **Jingjing Weng (7 years' of industry experience)**

Senior Analyst, Macro, Strategy and Financials

- China Equity Strategist (Director) at UBS Securities



### **Xiang Xu (5 years' of industry experience)**

Senior Analyst, Healthcare, Chemicals and Petrochemicals

- Lead Healthcare Analyst at Bank of China International Asset Management
- Worked at Greenwoods Asset Management and PricewaterhouseCoopers



### **Xiaohua (Zach) Xu (3 years' of industry experience)**

Senior Analyst, Technology

- Lead Electronic and Semiconductor Analyst at BOCOM Schroders, Semiconductor Analyst at Horizon Insights Research
- Research Engineer at EI-Cat Inc based in US



### **Yue (Ula) Wang (4 years' of industry experience)**

Trader

- QFII Trader (Manager), Equities Department at China International Capital Corporation

# First Private Fund – launching in Q1 2019

Enhance distribution and coverage

## Eastspring China A-Share Equity Absolute Return Fund



### Investment Style :

- Top down macro/sector views + bottom up stock selection



### Investment Universe :

- Primarily China A-share equities



### Target Investors\* :

- High Net Worth Individuals and Institutional clients



### Competitive Differentiation :

- Portfolio manager's track record (11 years)
- Long-term investment horizon with sustainability focus
- Cautious on downside risks







### Distribution Strategy :

- Securities firms and third party wealth managers

\* A qualified investor of Privately-raised Funds must meet the following requirements:

(1) For an entity, net assets of not less than RMB 10 million at the end of last year; or

(2) For a natural person, two or more years of investment experience, and household financial net assets of not less than RMB 3 million, household financial gross assets of not less than RMB 5 million, or average annual personal income of not less than RMB 400,000 in the past three years.

- 1  Accelerate Eastspring – Strategic Update
- 2  Enhance Distribution & Coverage – Capture Opportunities in China
- 3  Expand Investment Offering – Multi Asset Solutions
- 4  Summary



**Multi Asset Solutions is a \$10.2 trillion market -  
growing at 14% annually<sup>1</sup>**

**\$450bn in Multi Asset  
AuM in 2021<sup>3</sup>**

**Multi Asset Solutions AuM in  
Asia is \$582 billion<sup>2</sup>**

1: Boston Consulting Group December 2016

2 : Boston Consulting Group December 2016

3: Source: Spence Johnson – APAC MA Funds, a trillion dollar opportunity - 2017



A circle of logos for the Americas region, including:

- BRIDGEWATER
- NORTHERN TRUST
- WELLS FARGO
- LEGG MASON GLOBAL ASSET MANAGEMENT
- BainCapital
- PIONEER Investments
- Prudential
- BNY MELLON
- Merrill Lynch Bank of America Corporation
- MACKENZIE Investments
- BLACKROCK
- GUARDCAP
- T.RowePrice
- WADDELL & REED Financial, Inc.
- Goldman Sachs
- PRUDENTIAL PORTFOLIO MANAGEMENT GROUP
- RAYMOND JAMES
- Federated
- J.P.Morgan Asset Management
- OAKTREE
- Gluskin Sheff
- INVESTCO
- DODGE & COX
- CITI
- Janus Henderson

A circle of logos for Europe and Asia regions, including:

- BREWIN DOLPHIN
- Union Investment
- MERCURY ASSET MANAGEMENT
- SOCIETE GENERALE
- F&C Investments
- OLDMUTUAL
- ING
- AberdeenStandard Investments
- STODIR
- BNY MELLON
- BNP PARIBAS INVESTMENT PARTNERS
- UBS
- Janus Henderson
- ROYAL LONDON
- JUPITER
- ZURICH
- M&G INVESTMENTS
- AXA
- BARCLAYS CAPITAL
- AZIMUT
- SVG Capital
- Allianz
- CAILLIE GIFFORD
- Schroders
- Amundi ASSET MANAGEMENT
- KLEINWORT HAMBROS
- ROBECO
- CANDRIAM INVESTMENT GROUP A NEW YORK LIFE COMPANY
- HSBC
- BLACKROCK
- LA FRANÇAISE
- INVESTCO
- ODEY ASSET MANAGEMENT
- AVIVA INVESTORS

A circle containing logos for various financial institutions in North America and Europe. The logos include: Citi, Dodge & Cox, Janus Henderson, Invesco, Bridgewater, Northern Trust, Wells Fargo, Prudential Portfolio Management Group, Charles Schwab, Legg Mason, Gluskin Sheff, Raymond James, BainCapital, Federated, J.P. Morgan Asset Management, OAKTREE, Pioneer Investments, Prudential, Merrill Lynch, BNY Mellon, BlackRock, GuardCap, Mackenzie Investments, T. Rowe Price, and Waddell & Reed.

A circle containing logos for various financial institutions in Europe and Asia. The logos include: Union Investment, Brewin Dolphin, F&C Investments, Mercury Asset Management, Societe Generale, Old Mutual, ING, Aberdeen Standard Investments, Stodir, BNP Paribas Investment Partners, UBS, Janus Henderson, BNY Mellon, Royal London, Jupiter, Zurich, M&G Investments, AXA, Barclays Capital, Azimut, SVG Capital, Allianz, Caillie Gifford, Schrodgers, Amundi, Kleinwort Hambros, Robeco, Candriam, HSBC, BlackRock, Invesco, Odey, Aviva Investors, and La Francaise.

A circle containing logos for various financial institutions in Asia and Oceania. The logos include: Nomura, First State Investments, and Wellington Management.



**By 2027.....**

**Asia becomes the largest equity market, overtaking North America<sup>1</sup>**

**Asia (ex Japan) bond market, as large as JGB<sup>2</sup>**

**Today - 415 million Millennials in China and India > US and Western Europe<sup>3</sup> workforce**

**NOMURA**

**First State  
Investments**

WELLINGTON  
MANAGEMENT®

1: Morgan Stanley Institute for Sustainable Investing February 2015 report

2: Morgan Stanley Institute for Sustainable Investing February 2015 report

3: Goldman Sachs Report 2016



**eastspring**   
**investments**

A member of Prudential plc (UK)



# Progress update in < 12 months

## Deepen investment capabilities – Multi Asset Solutions



- ▶ **Colin Graham > 25 years of experience in Global and Asian multi asset solutions**
- ▶ **CIO, Multi Asset Solutions at BNP Paribas. Prior to this, Managing Director, Co-Head of Global Multi Asset Strategies, Multi Asset Client Solutions at BlackRock**



- ▶ **Jason Hepner > 20 years of industry experience in Emerging Markets and Multi Asset Solutions**
- ▶ **Joined from Standard Life Aberdeen. Original member of the team that managed the firm's flagship Global Absolute Return Strategy fund**



- ▶ **Mary Nicola > 10 years of experience as an economist and FX strategist**
- ▶ **Joined from Aviva Investors and worked in New York, Dubai and Hong Kong**



# Progress update in < 12 months

Deepen Investment Capabilities – Multi Asset Solutions

## Process

▶ Robust investment process

## Platform

- ▶ Building on 15 years of asset allocation experience
- ▶ Implementation of Aladdin supports growth ambitions

## Product

▶ Designing next generation of multi asset capabilities for Asian and global investors

# Current Multi Asset Solutions offering

## Deepen Investment Capabilities – Multi Asset Solutions

#10  
Years

★★★★  
Morningstar Ratings™ **Global Market Navigator**

Global equity returns with lower volatility

First Quartile over 3 years\*

#7  
Years

★★★  
Morningstar Ratings™ **Global Equity Navigator**

Global equity - Introducing growth thematic tilt

First Quartile over 3 years\*

#13  
Years



**Monthly Income Plan**

Income focus -  
Flagship Singapore fund

First Quartile over 3 years\*

#2  
Years



**Global Multi Asset Income plus Growth**

Attractive income payout with capital growth

# Accelerate Multi Asset Solutions offering

## Deepen Investment Capabilities – Multi Asset Solutions



### Multi Asset Absolute Return

Cash +6% with capital  
preservation



### Multi Asset Asian Income

Income solution to fulfil  
local client demand



### Global Market Navigator Sustainable

Sustainability focus with  
ESG screen

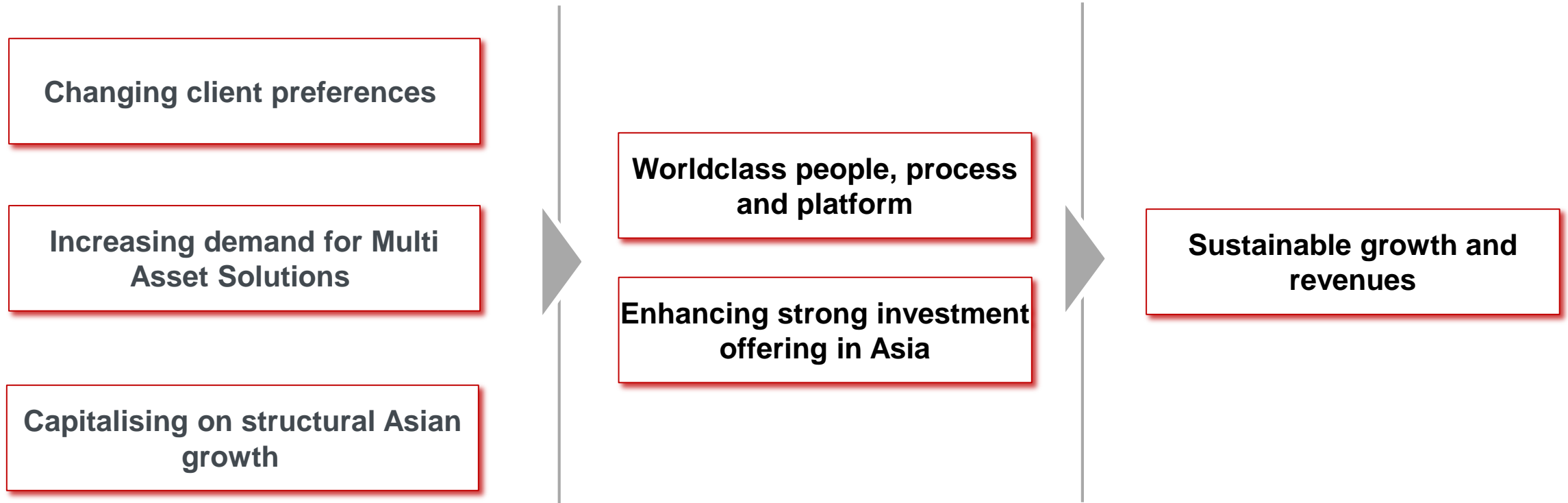






### Multi Asset China

Bespoke product tailored to  
domestic investors

# Key Messages

## Deepen Investment Capabilities – Multi Asset Solutions



- 1  Accelerate Eastspring – Strategic Update
- 2  Enhance Distribution & Coverage – Capture Opportunities in China
- 3  Expand Investment Offering – Multi Asset Solutions
- 4  Summary

# Key messages

Accelerate Eastspring

- Capitalising on strong Asian structural demand story
- Unrivalled footprint across Asia
- Successfully executing on strategic priorities


# Asia Innovation / Partnership Overview

**Nic Nicandrou**

Chief Executive

Prudential Corporation Asia

# Prudential Asia Agenda

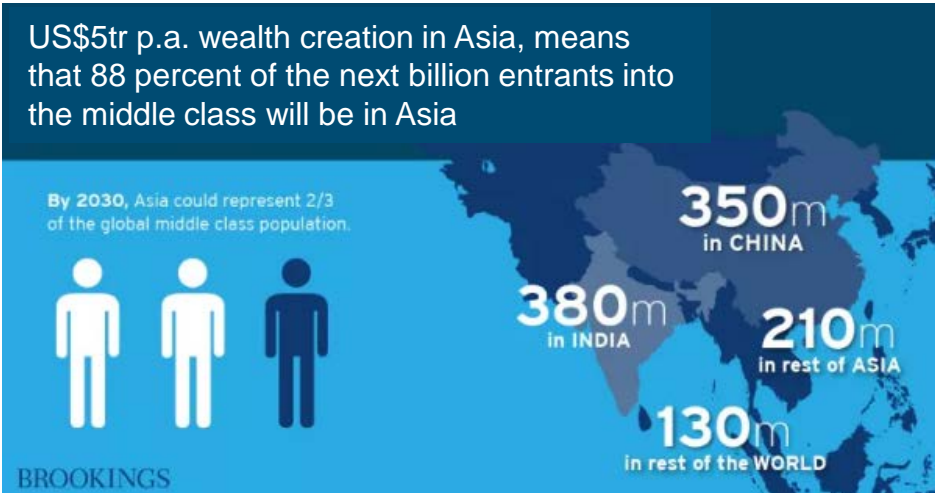
Strategy & priority update	Nic Nicandrou	
Insurance operations	Lilian Ng	<p><b>Delivery ahead of customer expectations</b></p> <p>Bespoke product solutions → Ease of doing business → Engage and influence</p>
Eastspring	Guy Strapp	<p>Expansion in China Michelle Qi</p> <p>Multi-asset solutions Colin Graham</p>
Innovation & partnership showcase	Nic Nicandrou	<p>Health value added services</p>  <p>Dr Ali Parsa Andrew Wong,</p> <p>Customer segmentation</p> <p>Distribution efficiency</p> <p>Customer Fulfillment</p> <p>Robo-advice</p> <p><b>Showcases</b></p>
Financials & value conversion	Raghu Hariharan	
Q&A	All presenters	



# Health showcase

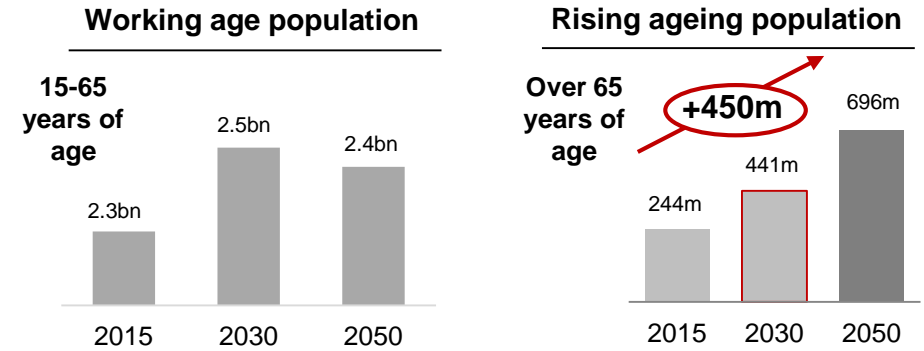
## Prudential Health Value-Added Services

### Rising and under insured middle class<sup>1</sup>

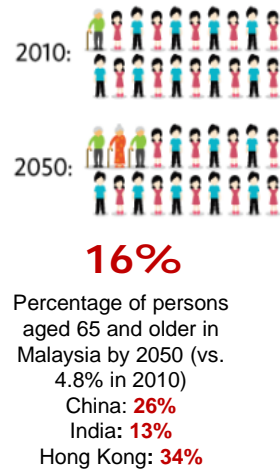
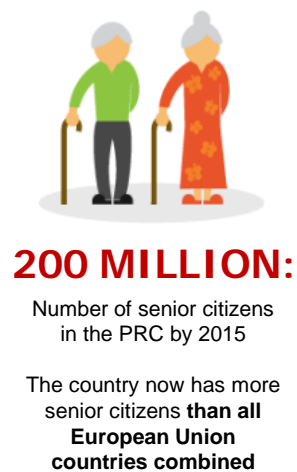


### Asia's demographic trends<sup>2</sup>

Ratio of people working to those over 65 years of age to decline from 9.3 to 3.4 by 2050



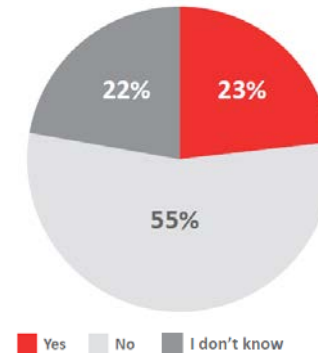
### Rapidly ageing populations<sup>3</sup>



### Is Singapore ready for 100?<sup>4</sup>

**1,100 centenarians** as of 2015, up from 50 in 1990

**900,000 aged over 65** by 2030



**READY FOR 100**

**Only 23% of respondents** say they feel prepared to live to 100, from a health and wellness perspective



Singapore's government policies and cultural fabric encourage fiscal self-reliance. As a result, **78% of respondents say they save money**. However, even the most devoted saver will **struggle to meet their needs from 62 to 100**

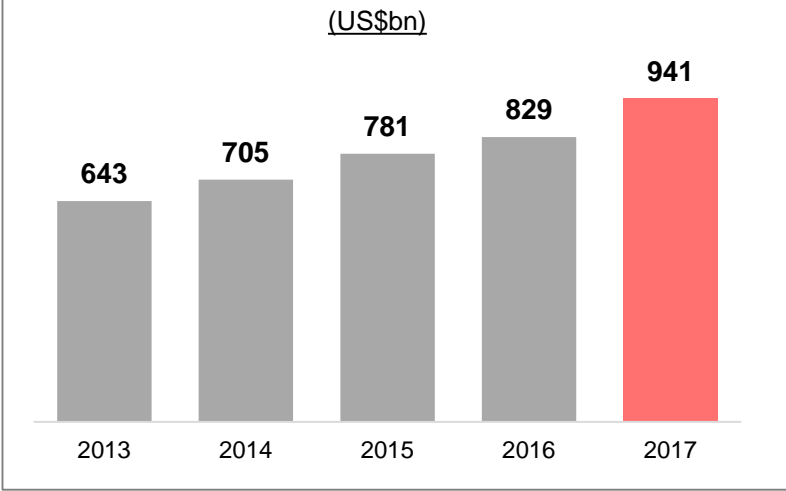
1. Brookings Institution. Global Economy & Development Working Paper 100. February 2017.  
 2. United Nations, Department of Economic and Social Affairs, Population Division (2015). World Population Prospects: The 2015 Revision, DVD Edition.15.  
 3. Asia Development Bank  
 4. Ready for 100 – Preparing For Longevity In Singapore. The Economist Intelligence Unit. 2018.

# Asia

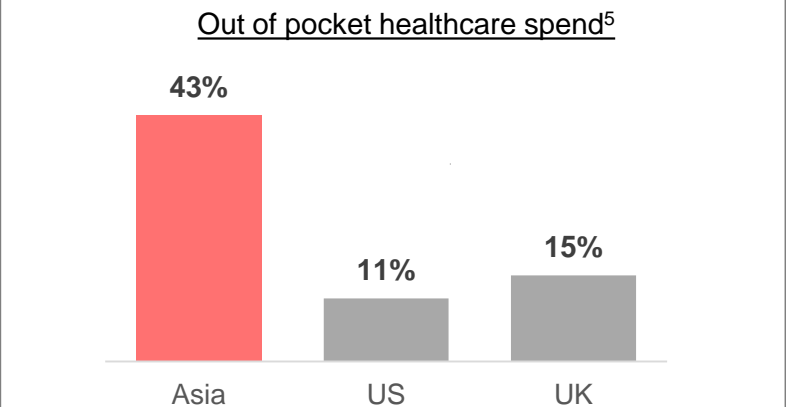
## Rising healthcare demand and consumption due to chronic diseases



Asia current health expenditure (2013-2017)<sup>1,2,3</sup>



Estimated in Asia at US\$400bn<sup>4</sup> in 2017



### Rising medical costs

Chronic diseases are expected to increase 57% by 2020

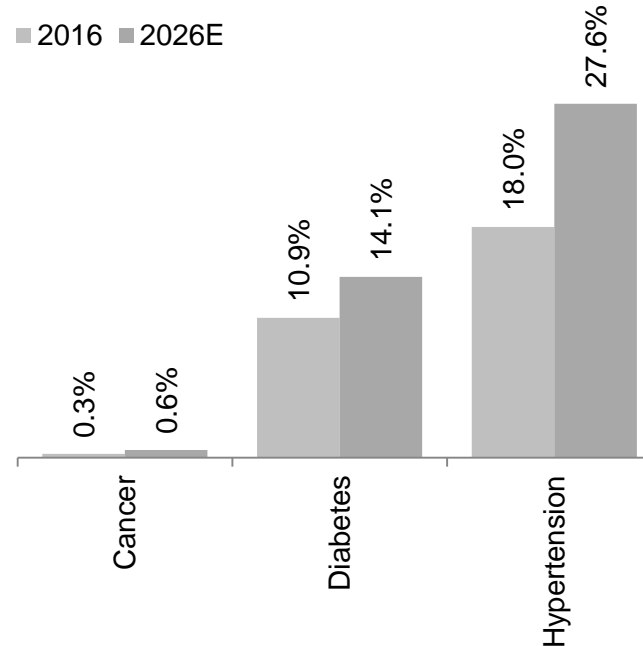


60% of this burden will occur in emerging markets

### Disease Prevalence

China<sup>6</sup>

■ 2016 ■ 2026E



### Diabetes Statistics on Deaths and Medical Costs

216m diagnosed diabetics in Asia + est. 120m undiagnosed

7 seconds

1 diabetes death in Asia<sup>7</sup>

3-5x

Higher annual medical cost versus a healthy individual<sup>8</sup>

1 out of 9

Individuals over the age of 18 has diabetes<sup>8</sup>

1 in 3

Individuals have prediabetes in the US<sup>9</sup>

10-20x

Higher chance of lower limb amputation<sup>8</sup>

68%

Elderly patients die from heart disease<sup>10</sup>

1. Asia: only includes markets where Prudential has life operations ex-Taiwan

2. 2013-2017 WHO and HKSAR Government; 2016-2017 estimated by PRU

3. Definition of Current Health Expenditure: Final consumption of health care goods and services including personal health care (curative care, rehabilitative care, long-term care, ancillary services and medical goods) and collective services (prevention and public health services as well as health administration), but excluding spending on investments

4. Pru estimate based on WHO and the World Bank data.

5. World Health Organisation: Global Health Observatory data repository (2013). Out of pocket as % of Total Health Expenditure. Asia calculated as average out of pocket

6. Frost and Sullivan

7. BioSpectrum

8. World Health Organization

9. Center for Disease Control and Prevention

10. American Heart Association

Most of the cost of healthcare sits in two categories: people and timing

### 66%

of costs are salaries

### 100 million

people are pushed into extreme poverty by healthcare expenses annually *(The World Bank, 2017)*

### 200 million

women do not have adequate access to family planning and maternal health services *(The World Bank, 2017)*

Pressure on Asia public resources

Waiting Time (hour)



Bed occupancy rate (%)



	Waiting Time (hour)	Bed occupancy rate (%)
China	3	91%
Hong Kong	>3	91-123%
Malaysia	1.5	90%
Singapore	2.5	89%

Increasing lifestyle diseases from sedentary lifestyles driving higher medical cost inflation



### Malaysia

Malaysians are most obese in SEA.



### Hong Kong

Predicted that by 2030 there will be a **shortage of 1,000 doctors** and **1,700 nurses**.



### Thailand

Public health expenditure increased **+12%** annually over the past 12 years, driven by **rapidly aging population**.



### Singapore

Elderly health costs predicted to **rise tenfold** by 2030.



### Vietnam

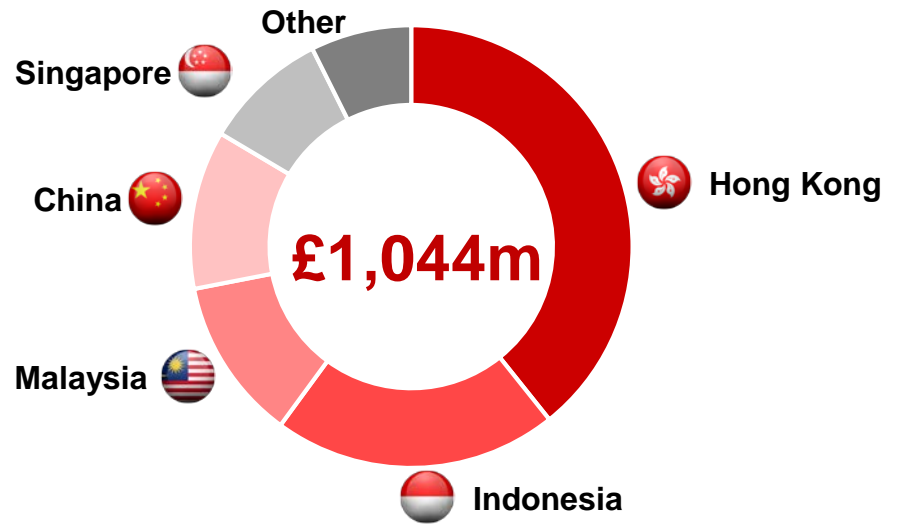
Average **30% increase in public hospital fees** from 2016; higher patient costs due to reduced state subsidies.

# Asia

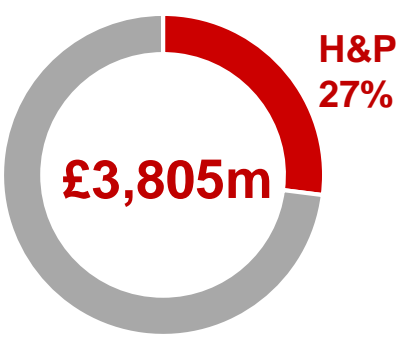
## Health & Protection is an important business priority



### Health & Protection new business (£' APE, 2017)



### % of total sales, (£' APE, 2017)



	Indonesia	73%
	Malaysia	44%
	China	41%
	Hong Kong	24%
	Singapore	21%

### Credentials

>5m Health customers regionally

**PRUvital Cover**  
covering four types of pre-existing chronic medical conditions

**PRUhealth CI extended care (CIE)**  
covering cancer, stroke & heart attack with mkt unique Benign Tumour Benefit

Competitive propositions + VALUE ADDED SERVICES

**PRUhealth CI multi-care prestige (CIM2)**  
covering 126 diseases

Reflexive underwriting

Hospital portal & PRUmedical network  
 58 hospitals in 30 cities  
 93 panel hospitals

**Jet Claims**  
AI-based auto-assess and review

**"Hospital to Prudential"**  
Portal and Chatbot Claims (reduced claims submission time by 75%)

99% cases processed through **WeChat**

Customer-centric service delivery

**尊享惠康 (Premier Critical Illness)**

**Digital campaigns with protection properties**

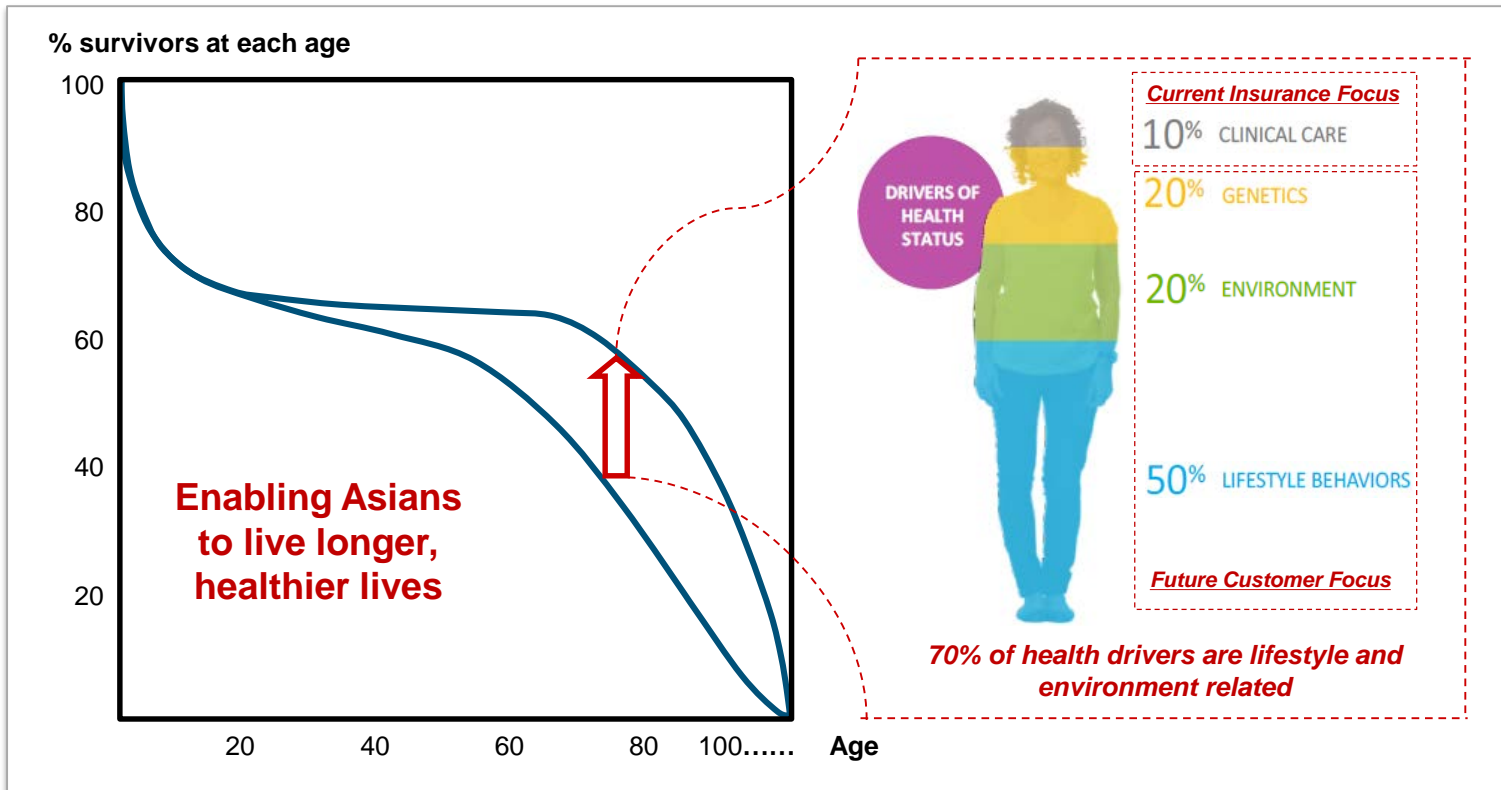
**Data-driven solutions**

2017 Golden Award

# Asia

To close the healthcare gap we need to increase awareness

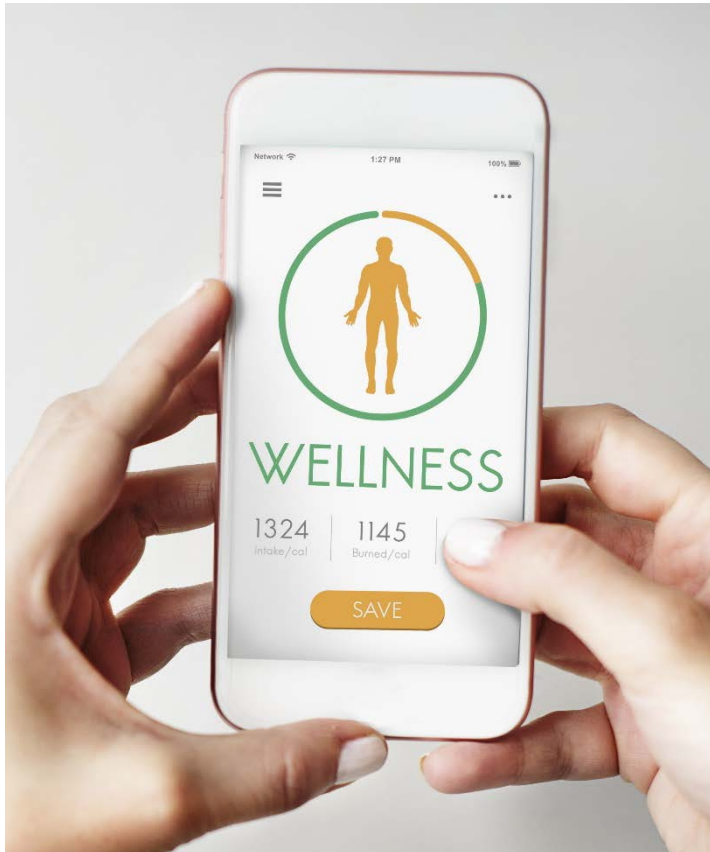
Evolve offering from providing cover to wellness, health preservation/ improvement and treatment/recovery.



In a world with over **five billion mobile phones**, **50% of the population** lack access to essential health services\*

\*The World Bank, 2017

### Using technology to make health accessible and affordable to all



Transform the delivery of care from sick care to **wellness**

Expand **partnership** with providers offering complementary capabilities

Leverage digital technology to achieve **real-time engagement** with consumers

Use **AI** to analyse big data to improve customer **feedback loops**

Risk Factor Identification  
**Prevent**

Health & wellness coaching  
**Prevent/ Postpone**

Disease diagnosis, treatment & management  
**Postpone/ Protect**

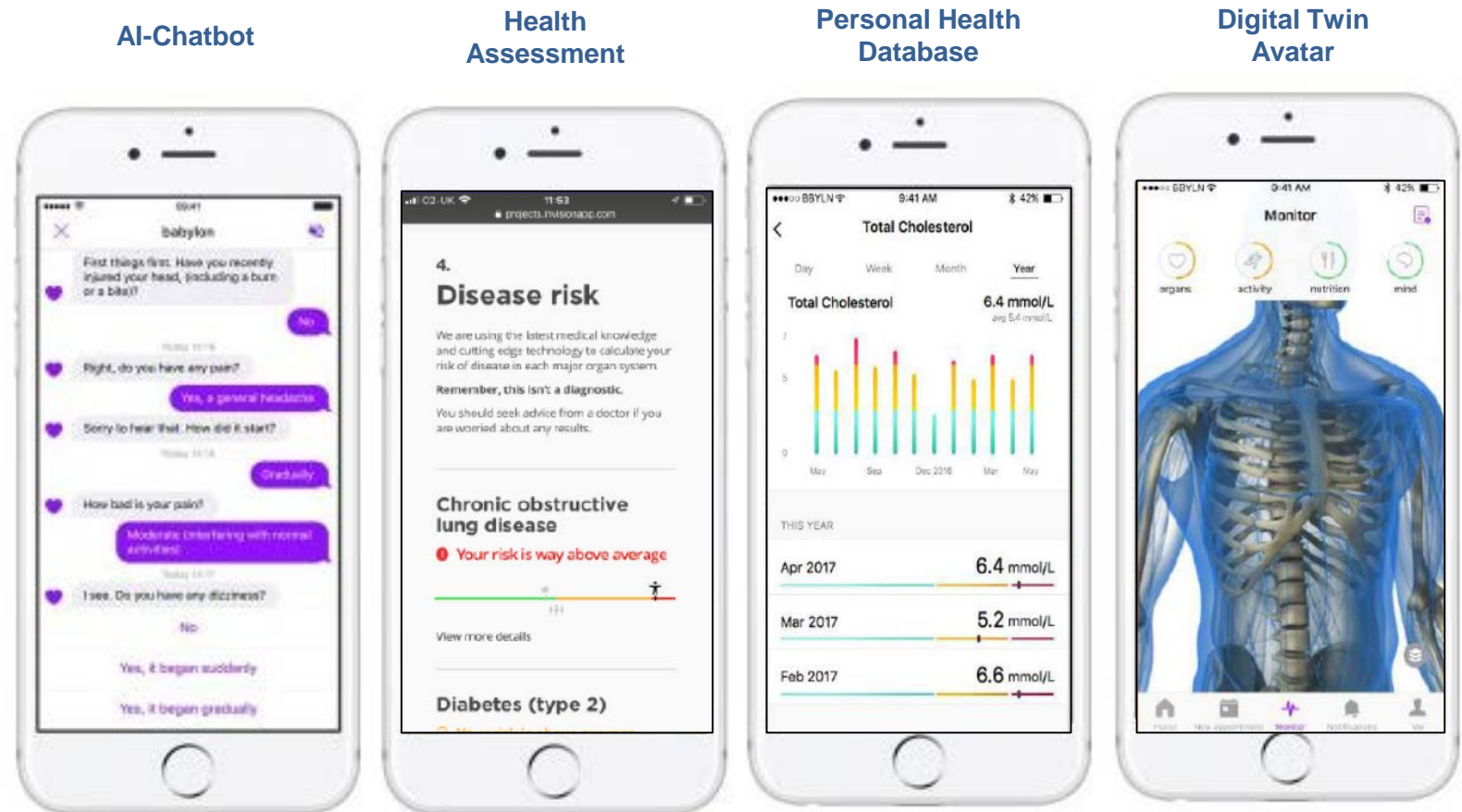
Value-added products and services  
**Protect**



### Background

- **Company Background:** UK-based HealthTech company founded in 2013 by Dr. Ali Parsa
- **Babylon's Offering:** AI-powered health services including: i) personal health assessment, ii) tele-consultations, iii) AI-triage and iv) treatment information
- **Prudential's Strategic Intentions:** Empowering customers with self-help tools and real-time health information to better understand and manage their current and future health needs
- **Geographic Coverage:** 12 markets in Asia where Prudential operates

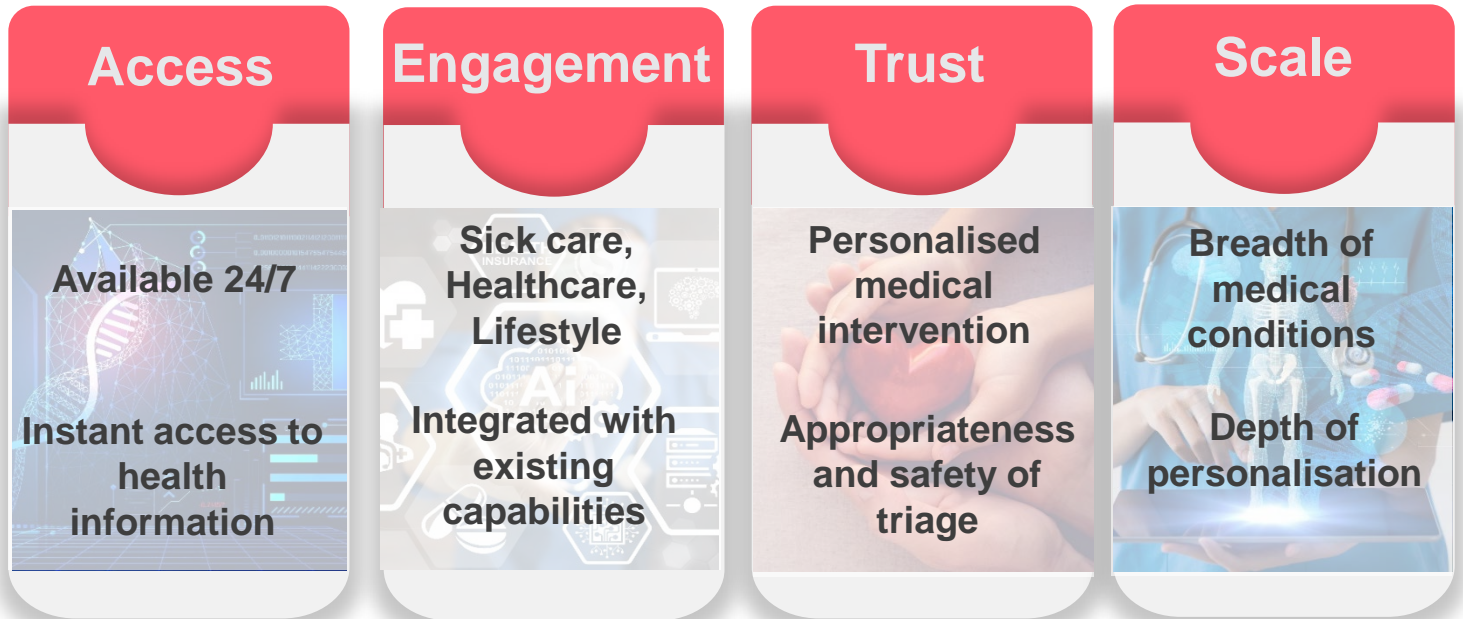
### Key Features Exclusive to Prudential Policyholders





### Prudential & Babylon exclusive partnership: Step-change in health services in Asia

### User-Driven Healthcare



### Benefits

Accelerate medical insurance take-up

Greater customer touchpoints

New customer acquisition

Higher loyalty and retention

Reduced claims frequency

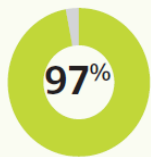
Lower cost severity

Expand insurable population

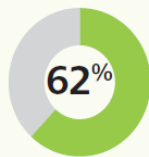
Evidence of health technology benefit for patients

**75%**  
of the UK population goes online for health information

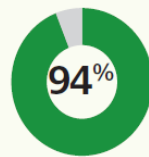
Patients using technology to manage their COPD:



High satisfaction



Increased confidence



Better treatment compliance

### Remote telemonitoring



30-day readmissions ↓ 17%  
180-day readmissions ↓ 13% - 19%

### Wireless remote monitoring



Admissions ↓ 50%  
A&E attendance ↓ 12%



Bed days ↓ 63%

### Mobile monitoring app



Nurse visits ↓ 18%  
Nurse calls ↓ 40%  
GP visits ↓ 57%  
GP calls ↓ 83%



Lower admission rates



Better adherence



Efficient use of resources



Higher patient satisfaction

# Asia

## Investing in broader health and wellness services



### Increasing accessibility to appropriate, quality and affordable care



95,000 units



- Launched in:
- Hong Kong** Jul 2016
  - Singapore** May 2017
  - Malaysia** Aug 2017
  - Vietnam** Nov 2017
  - Philippines** Apr 2018



**Nutrigenomics + Health Risk DNA Test**

A convenient, non-invasive DNA test to assess genetic health risk as well as optimal diet + fitness

**30-Min Phone Consultation**

**Personal Health Coach**

A health coach, who will provide dedicated and comprehensive guidance for 12 months to the user

**Exclusive App**

Supported by an exclusive app, with core features below for the health coach to engage and encourage the user

	<b>Singapore</b>	
	<b>Malaysia</b>	
	<b>China</b>	启泰元康 万达全程 纳塔力 国际SOS
	<b>Indonesia</b>	
	<b>Thailand</b>	

#### Hong Kong customer experience – making a difference

**70%**  
made positive changes to their diet and lifestyle after using myDNA

**88%**  
understood more about diet and nutrition

**94%**  
use myDNA to live healthier and / or to lose weight

# Asia Health Showcase, Babylon

## **Andrew Wong**

Chief Health Officer  
Prudential Corporation Asia

## **Dr Ali Parsa**

Chief Executive Officer  
Babylon Health





**babylon**



**We believe it is possible to make healthcare  
accessible and affordable and put it in the hands  
of every person on earth**

# Prudential health value-added services implementation roadmap



**Andrew Wong**  
**Chief Health Officer, Prudential Corporation Asia**

## Agenda

**Prudential's ambition on health value-added services**

**Implementation roadmap across Asia**

**Malaysia rollout**

# Prudential's ambition

To protect people's health and wealth leveraging Prevent-Postpone-Protect propositions

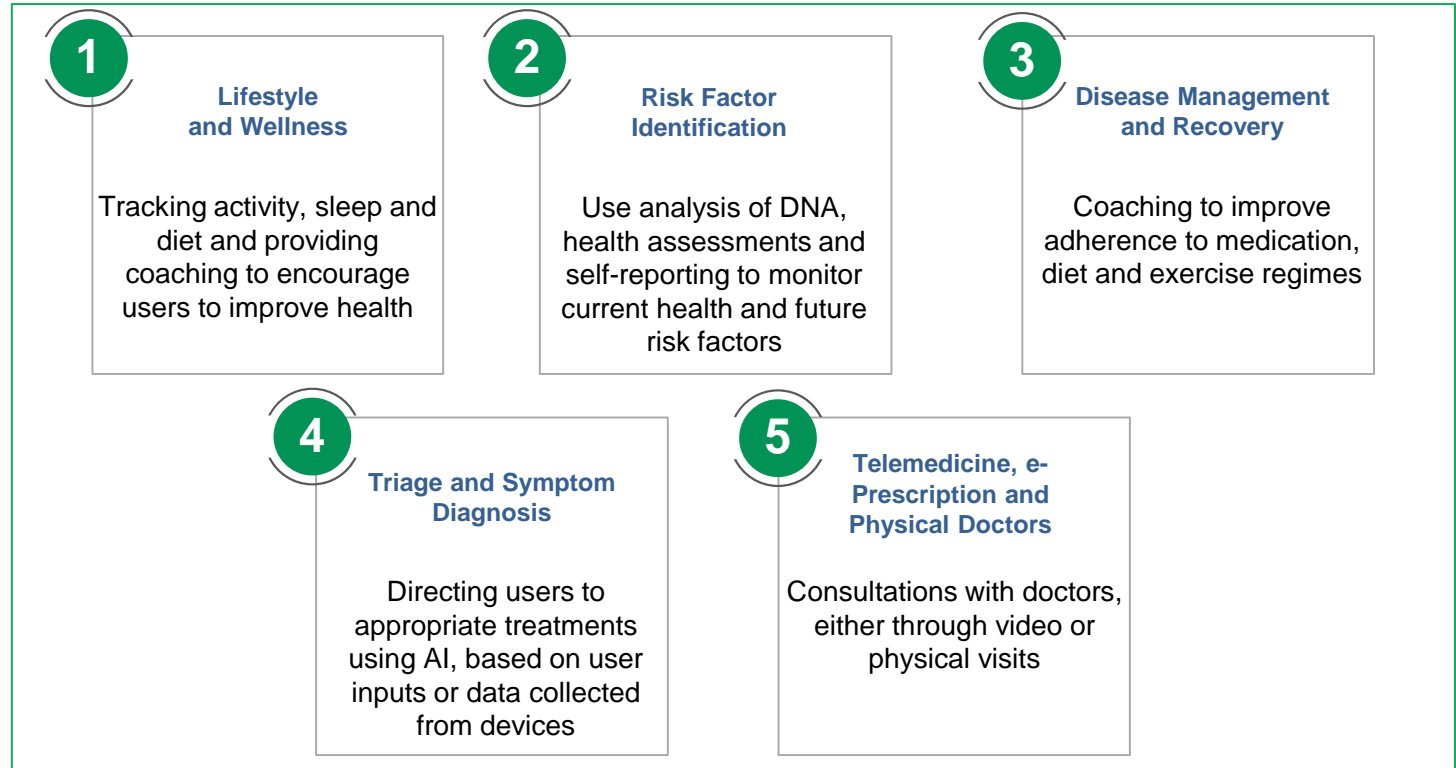


**Protect the health and wealth** of customers by using AI to access affordable and quality healthcare

## Our Emerging Health VAS



## Ambition to Prevent, Postpone and Protect Against Illness



**Partner with healthcare players to provide comprehensive virtual and physical health services**

# Implementation roadmap

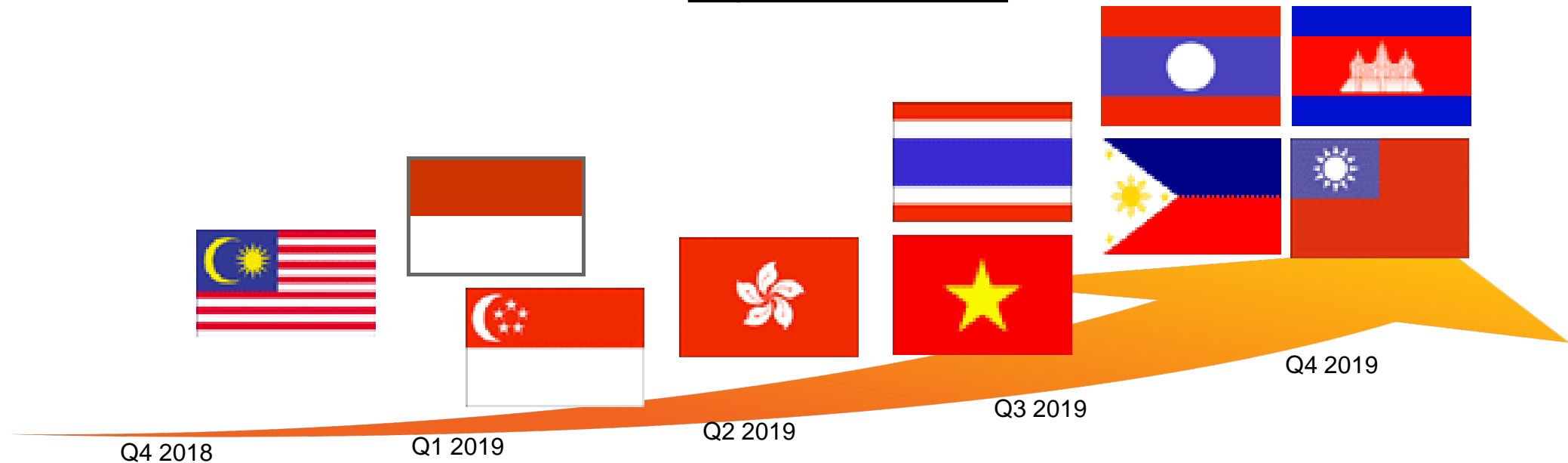
Progressively localise and launch in all markets

## Development of health value-added service features



The approach is to go live initially with Babylon AI and telemedicine as core, with further features to be added progressively

## Regional rollout plan



We will localize Babylon AI in local languages and launch in 10 markets by end of 2019



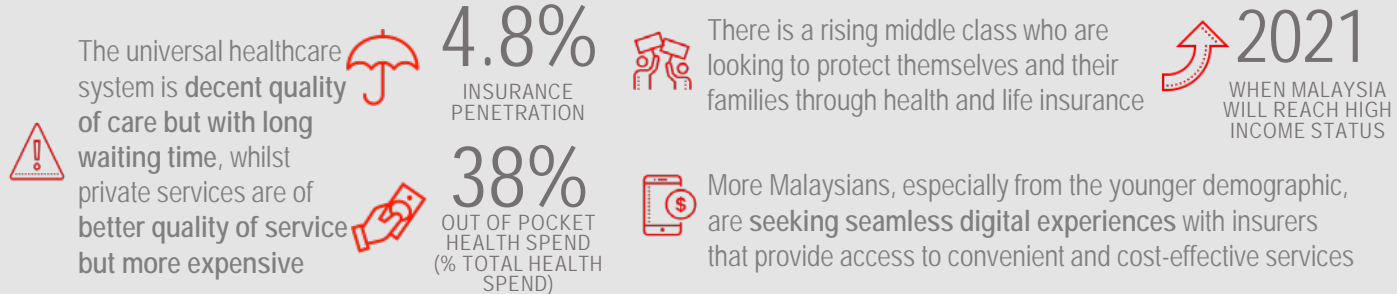
# Malaysia rollout

## The market opportunity

Malaysia is a fast-growing economy with a young and increasingly digital population...

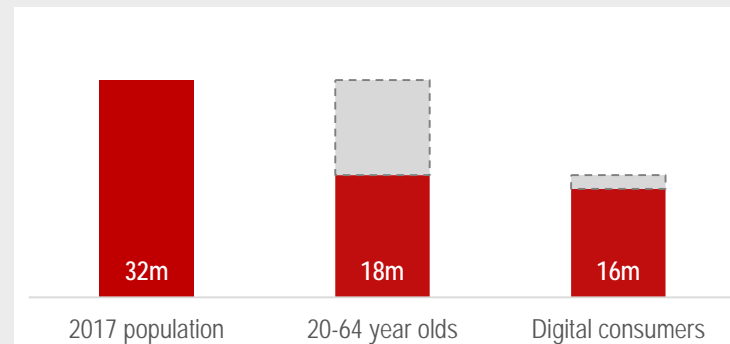


...whilst health services and insurance markets are underserved and under-digitised.



The opportunity is there...

- The current population of Malaysia is 32m
- Of that population, 18m are between 20-64 years old
- 88% of customers have smart phones today, which will likely to increase over time
- Using smart phone ownership as a proxy, there's a target market of 16m digital consumers today



...And we believe that Prudential's digital health value-added services will provide a number of benefits for Malaysia...

### Provide support to Malaysian communities

- **Improve access** to education for individuals on how to maintain health and wellbeing
- Drive **digital innovation** and new ways of thinking
- **Reduce healthcare costs**

### Provide customers with a number of benefits

- Better access to health services
- More affordable
- Personalised and better healthcare delivery (e.g. AI assistants)
- Easy access to comprehensive view of health information and data

# Go to market regional playbook

Phased implementation approach to integrate Babylon and other value-added services

## Activities

### Pre-Launch

- Government endorsement
- Localisation
- Stakeholders' engagement
- Local VAS partner selection

### Pilot

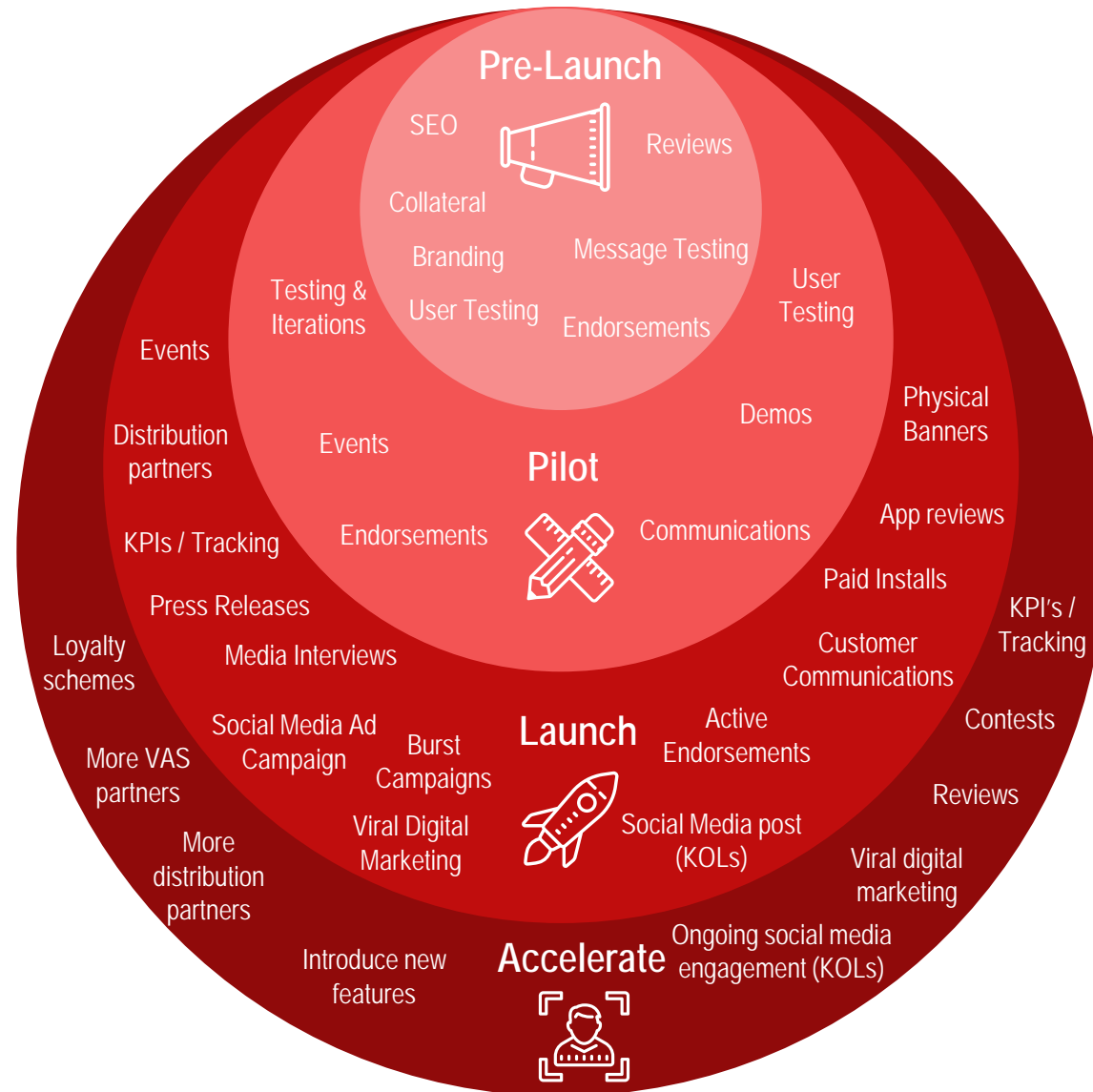
- Proposition testing & iteration
- User testing & feedback
- VAS partner integration
- Marketing preparation

### Launch

- Core features (Babylon AI, telemedicine) launch
- Go-live in App Store and Play Store
- Distribution promotions
- Marketing campaigns
- Promotional activities

### Accelerate

- Expanded features (wellness, rewards, etc.)
- Loyalty schemes
- Distribution contests
- More viral marketing campaigns
- Additional distribution partners
- More VAS partners



## Addressable base

Employees



Agents  
Distribution partners



New & existing customers  
Government agencies  
Affinity groups



General population

# Malaysia rollout

Systematic implementation to maximise impact



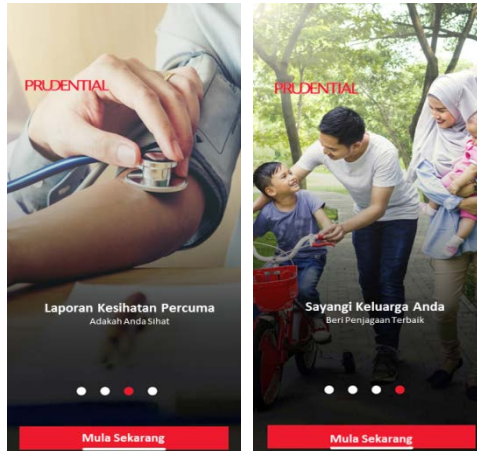
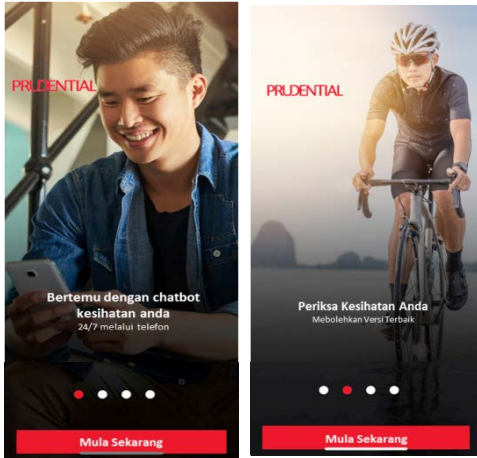
- | Activities | Pre-launch<br>19 <sup>th</sup> Nov 2018  | Pilot<br>Feb 2019  | Launch<br>Mar 2019   | Accelerate<br>Q2 2019 onwards   |
|------------|--|--|--|---|
|            | <ul style="list-style-type: none"> <li>Government endorsement (BNM, MoH)</li> <li>Localisation </li> <li>Stakeholders' engagement (Medical Association, hospital groups)</li> <li>Establishment of medical advisory board</li> <li>Telemedicine partner selection</li> </ul> | <ul style="list-style-type: none"> <li>User testing &amp; feedback </li> <li>Telemedicine partner integration</li> <li>Marketing campaigns</li> <li>Distributors engagement</li> </ul> | <ul style="list-style-type: none"> <li>Core features launch</li> <li>Go-live in App Store </li> <li>Distribution promotions </li> <li>Marketing campaigns</li> </ul> | <ul style="list-style-type: none"> <li>Expanded features (wellness, rewards, etc.)</li> <li>Distribution contests</li> <li>Additional distribution partners</li> <li>Viral digital marketing campaigns</li> </ul> |

- | Key Functionalities | Pre-launch   | Pilot  | Launch   | Accelerate   |
|---------------------|--|--|--|--|
|                     | <ul style="list-style-type: none"> <li>Babylon AI services</li> <li>Health contents</li> </ul> | <ul style="list-style-type: none"> <li>Connect with family</li> <li>Notifications to family</li> </ul> | <ul style="list-style-type: none"> <li>Virtual doctor consultation / medicine delivery</li> <li>Dengue tracker/prediction</li> <li>ePayment/eWallet (QR)</li> <li>Surau/Prayer timer </li> </ul> | <ul style="list-style-type: none"> <li>Wellness</li> <li>Rewards</li> <li>Prenetics DNA test </li> <li>Chronic disease management</li> </ul> |

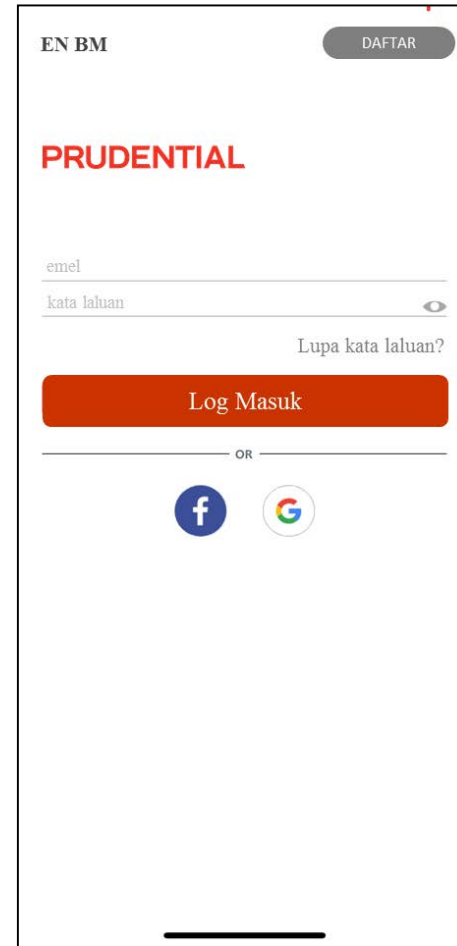
Addressable Base	Employees (c.2,500)	Employees, agents and distributors (c.20,000)	New/existing Customers, government agencies, affinity groups, corporates (> 2.5 million)	General population (32 million)

# Malaysia rollout

Localised platform for easy access to health value-added services



**Application Landing Page**  
*4 Splash screens with different designs to attract different needs*



**User Registration Page**  
*Users are able to register using email or google or facebook*



**In Application Home Page**  
*A home page with core function icons and direct-access shortcuts*

# Prudential app home page

All health and Prudential information and services at your fingertip

## Advertisement Slider

This is the ad slider which will be rotating and show the latest news.

## Getting Treatment

This option will allow access to DoctorOnCall and myDNA related services.

## Pru4U

This option will allow access to Prudential related services.

## Check Symptoms

A 24/7 AI medical chatbot to give health advice.

## Home

This icon will direct to the main screen (current page).



## Quick Navigation

This dropdown menu will allow direct access to the features available in the app.

## Staying Well

This option will allow access to Babylon and other wellness services (e.g., fitness tracker).

## My Rewards

Health related gamification and rewards.

## Tips and News

Important info and health tips.

## Assess Health

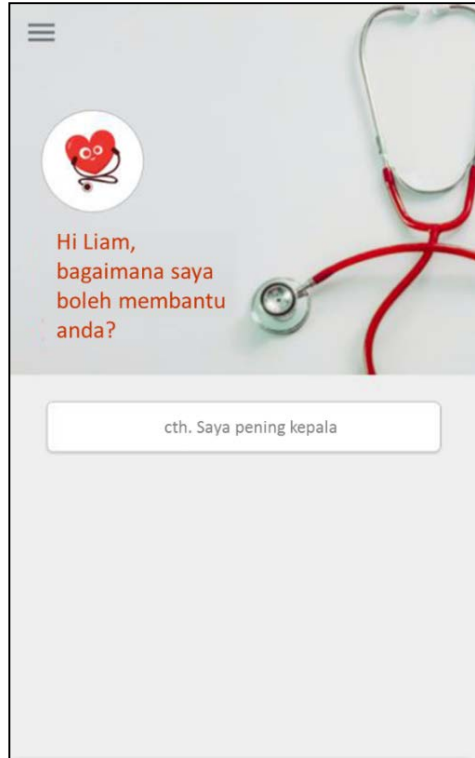
This option will allow access to health assessment.



# Featured Prudential app healthcare services

## Embedded core Babylon functionalities

Access from home page



### Symptom Checker

*Localized with local linguistic and epidemiology data*



### Health Assessment

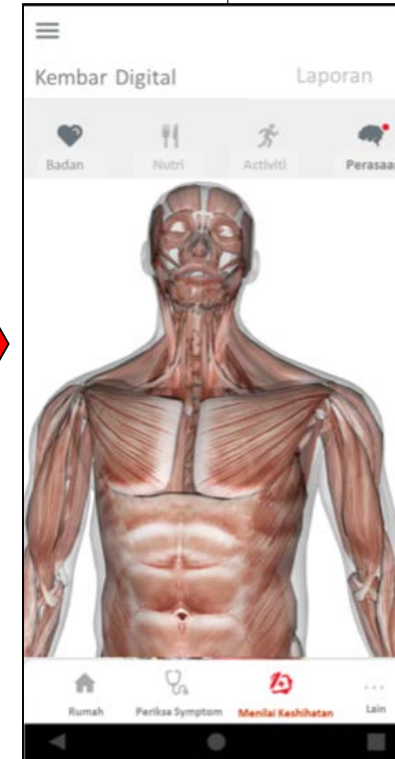
*Across 4 areas: Body, Nutrition, Activity and Mood*

### Health Assessment

Assesses the user's current health and predicts future risk for some of the most common diseases, focusing on 4 key portions – body, nutrition, activity and mood.

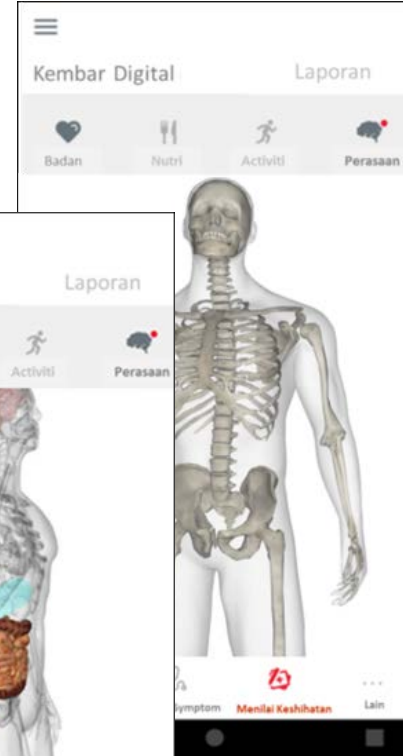
### Digital Twin

Generated based on health assessment outcome



### Digital Twin

*Digital Twin available in 3 formats Muscular, Organ and Skeleton*



# Closing remarks

- ✓ Unprecedented demand for healthcare provision
- ✓ Public-private cooperation needed to close health gap
- ✓ New approach needed to increase consumer awareness and engagement
- ✓ Prudential's use of AI-driven healthtech to make healthcare affordable and accessible

## Distribution Efficiency



Agency workbench:  
Indonesia

Himawan Purnama



Performance report:  
Malaysia

David Wong  
Wee Siew Chen

AskPru



Servicing:  
Singapore

Gerardine Lim  
Aryani Suhardi

## Customer Fulfillment



Point of sale

Reflexive  
underwriting

Instant decision



Cross-sell / up-sell

Hong Kong

Sam Lim

E-submissions  
& Claims



Digital

## Showcases

## Customer Segmentation



All inclusive proposition for SME businesses

Singapore

Dennis Ng

## Direct to Consumer



Andres  
Villaquiran



Jeroen Buwalda



# Asia Financial Update

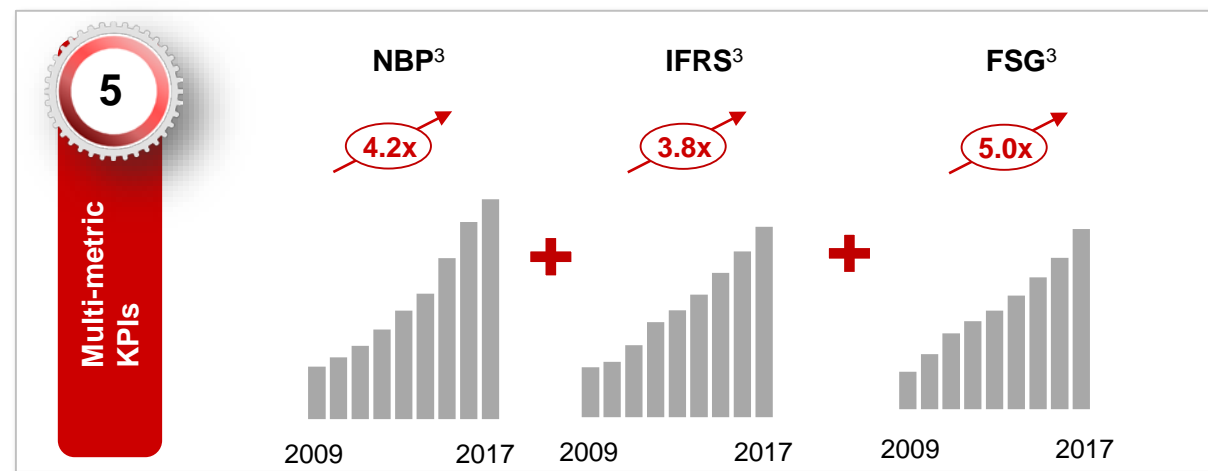
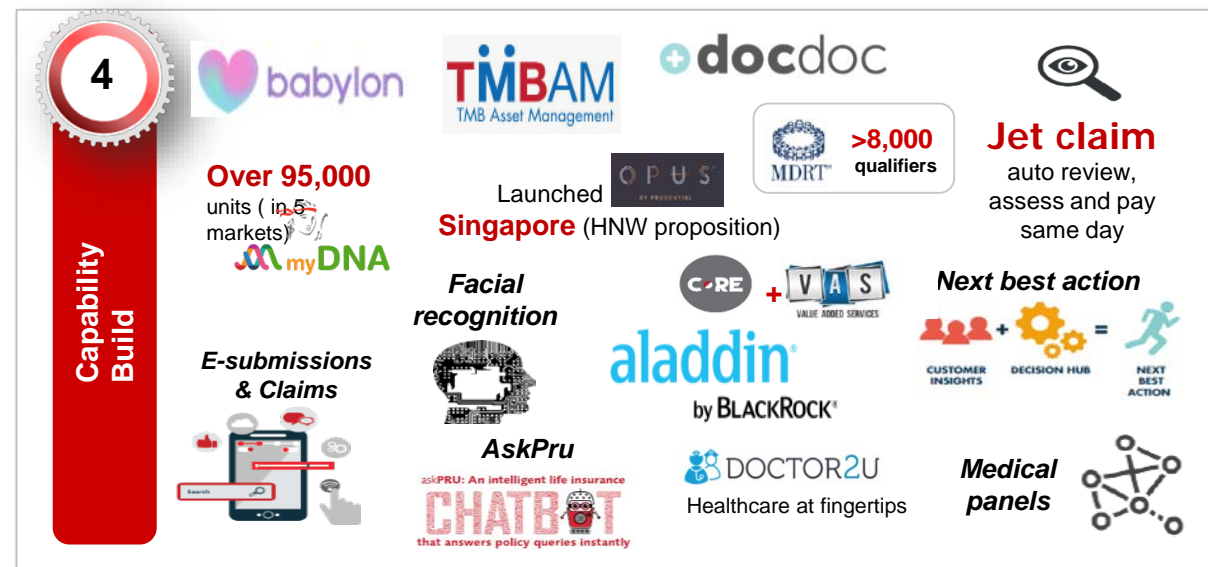
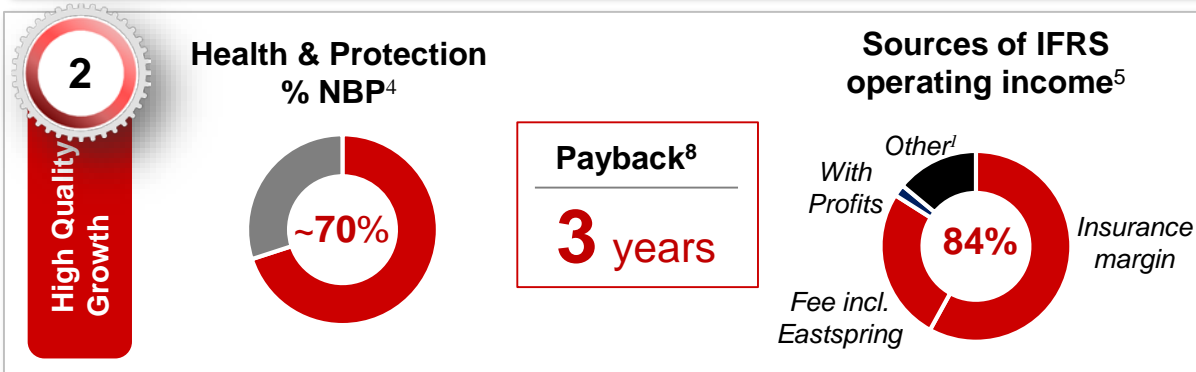
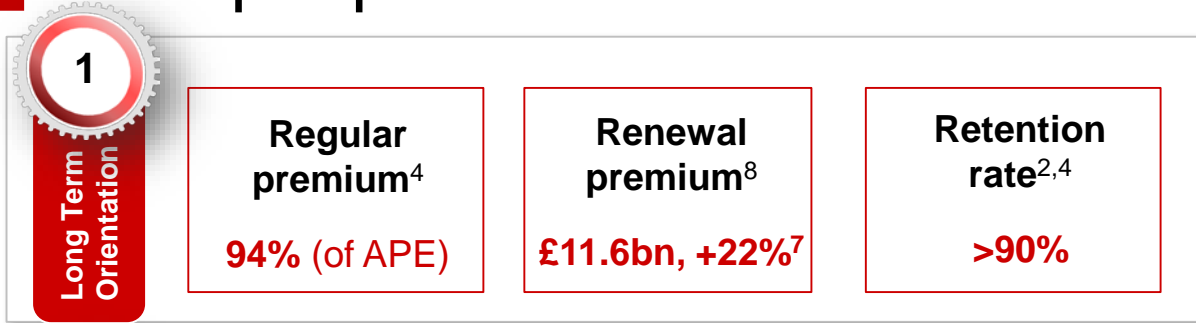
## Raghu Hariharan

Chief Financial Officer

Prudential Corporation Asia

# Translating strategy into value

## Multiple performance levers



1. Other comprises spread income and the expected return on shareholders' net assets. 2. Stated for PCA excluding India  
3. Constant exchange rate basis. 4. Q3'18 YTD. 5. HY18. 6. Comprises spread income, with-profits and expected return on shareholder assets. 7. Year on year growth 8. For new business sold during 2017.

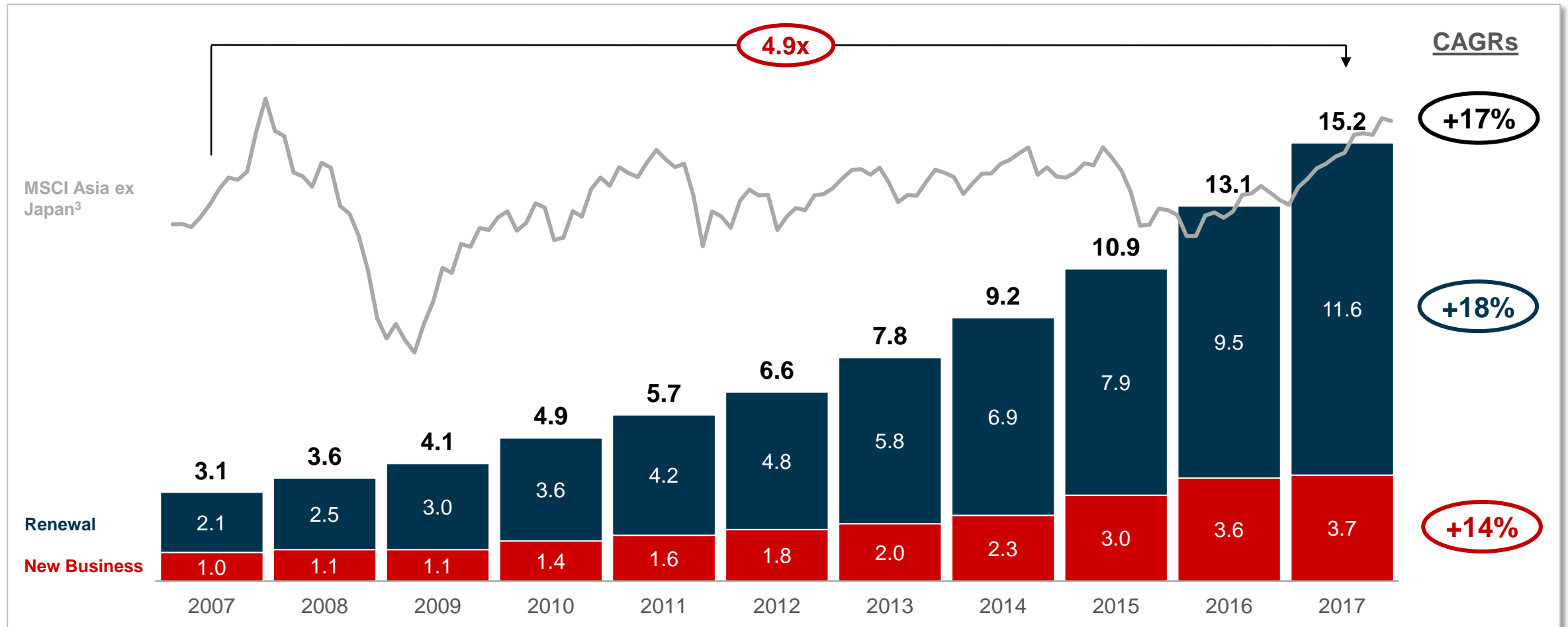


# Long Term Orientation

# Long-term orientation

## Recurring premium income drives resilience

Life weighted premium income (£bn)<sup>1,2</sup>



1. Weighted premium income comprises gross earned premiums at 100% of renewal premiums, 100% of first year premiums and 10% of single premiums.

2. Comparatives have been stated on a constant exchange rate basis and have been restated to exclude sales from Korea Life, Japan and Taiwan Agency. 2014 excludes intra-group reinsurance contracts between the UK and Asia with-profits businesses.

3. Source: Datastream.

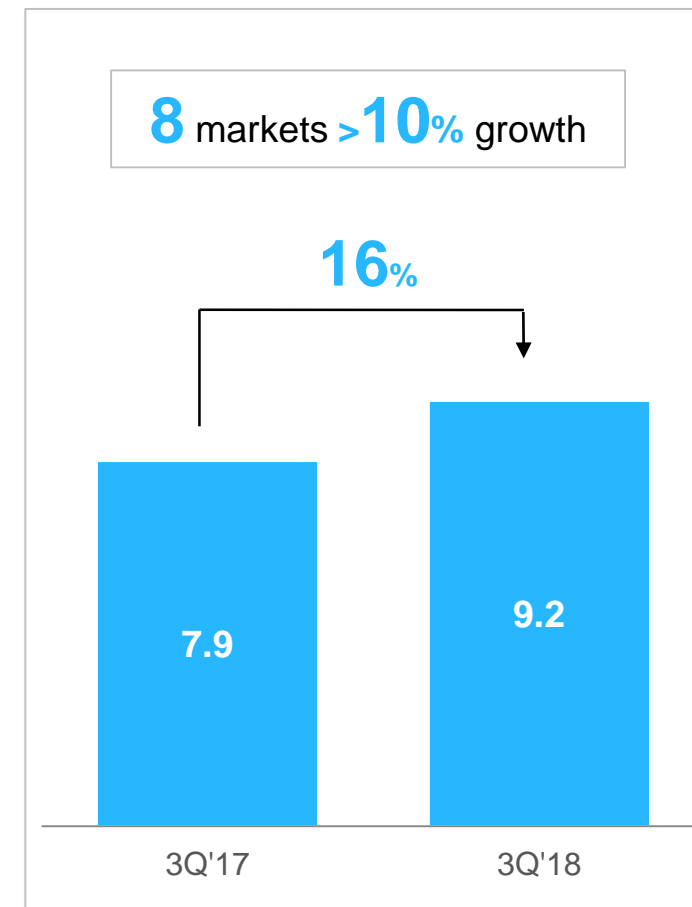
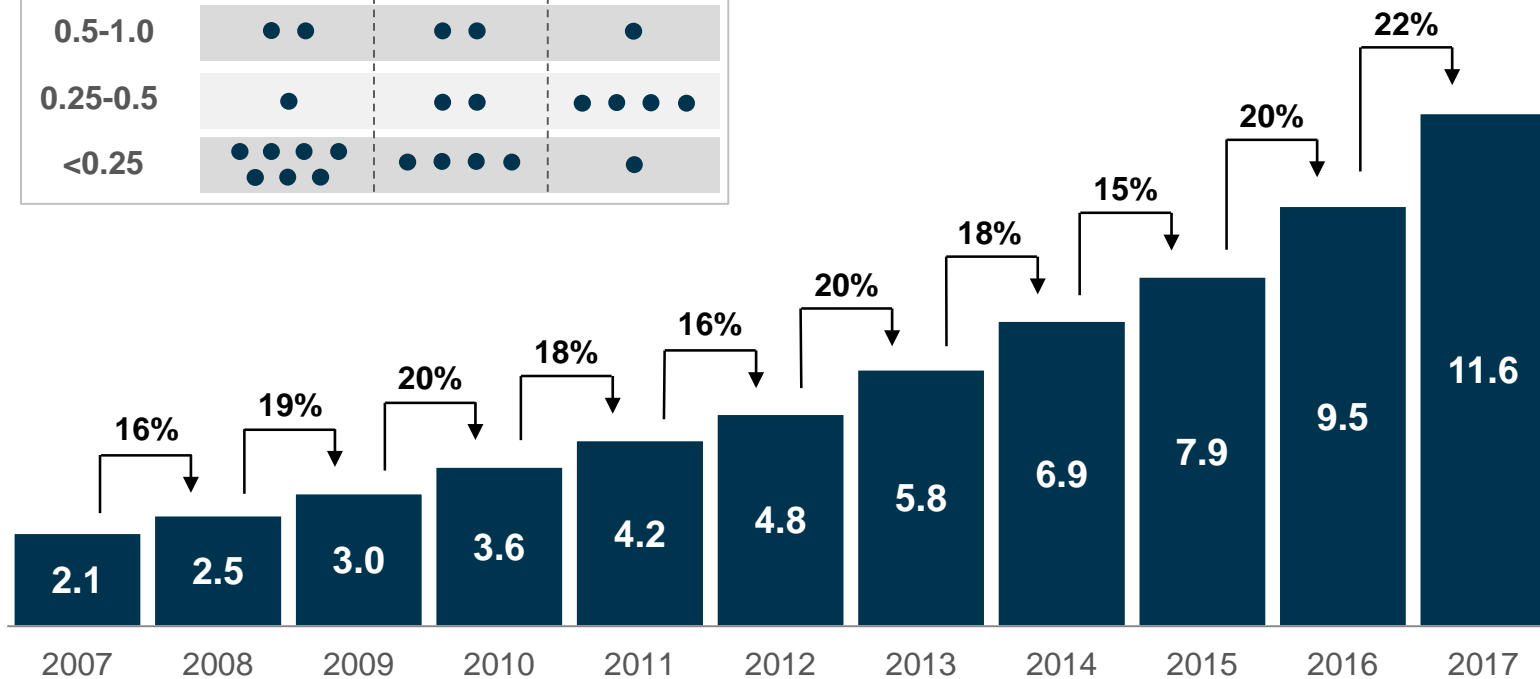
# Long-term orientation

## Consistent broad-based growth in renewal premiums

Renewal premium income (£bn)<sup>1</sup>

Q3 YTD update<sup>1</sup>

Contribution by entity <sup>2</sup>			
£'bn	2007	2012	2017
>1.0		• •	• • • •
0.5-1.0	• •	• •	•
0.25-0.5	•	• •	• • • •
<0.25	• • • • •	• • • •	•

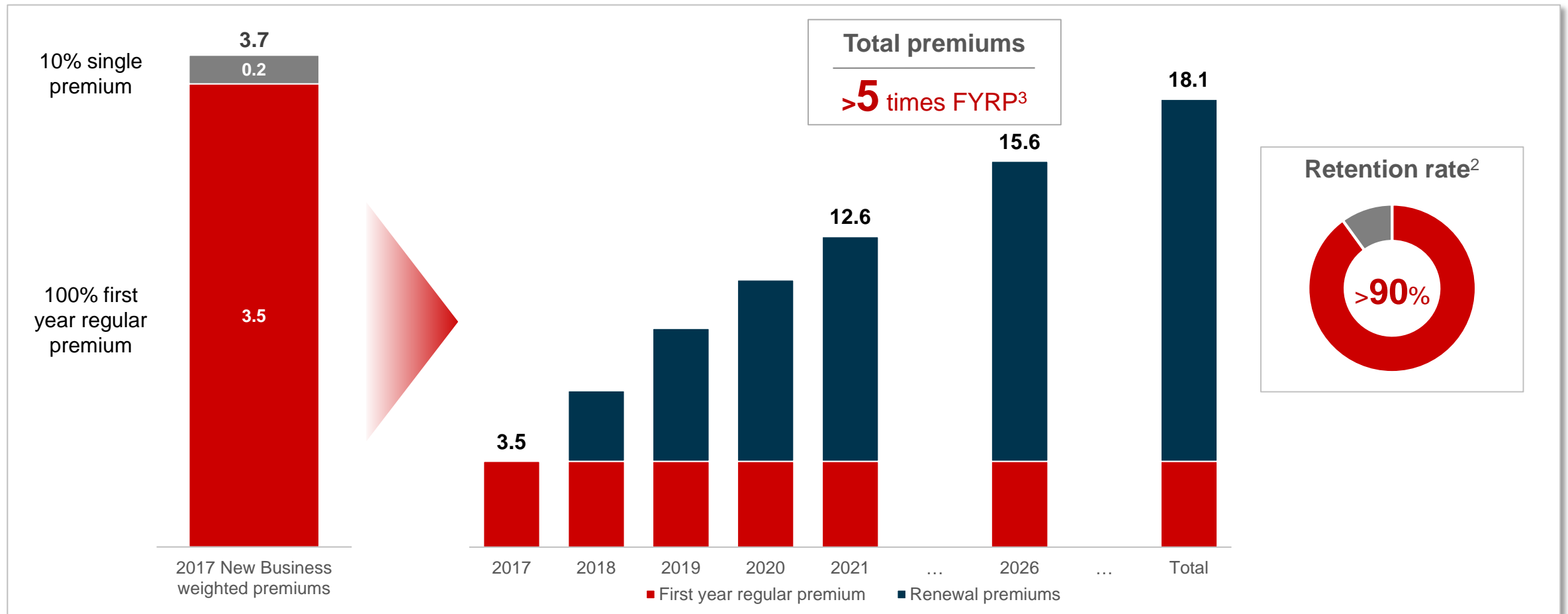


1. Includes 100% of renewal premiums only. Comparatives have been stated on a constant exchange rate basis and have been restated to exclude sales from Korea Life, Japan and Taiwan Agency. 2014 excludes intra-group reinsurance contracts between the UK and Asia with-profits businesses. The exchange rates used in the historic trend analysis are average rates during 2017, whilst those used in the Q3 YTD update are average rates in 2018 YTD.  
 2. Excludes Laos and Cambodia.

# Long-term orientation

## High regular premium mix drives compounding growth

Expected present value of cumulative premiums from the 2017 new business sales (£bn)<sup>1</sup>

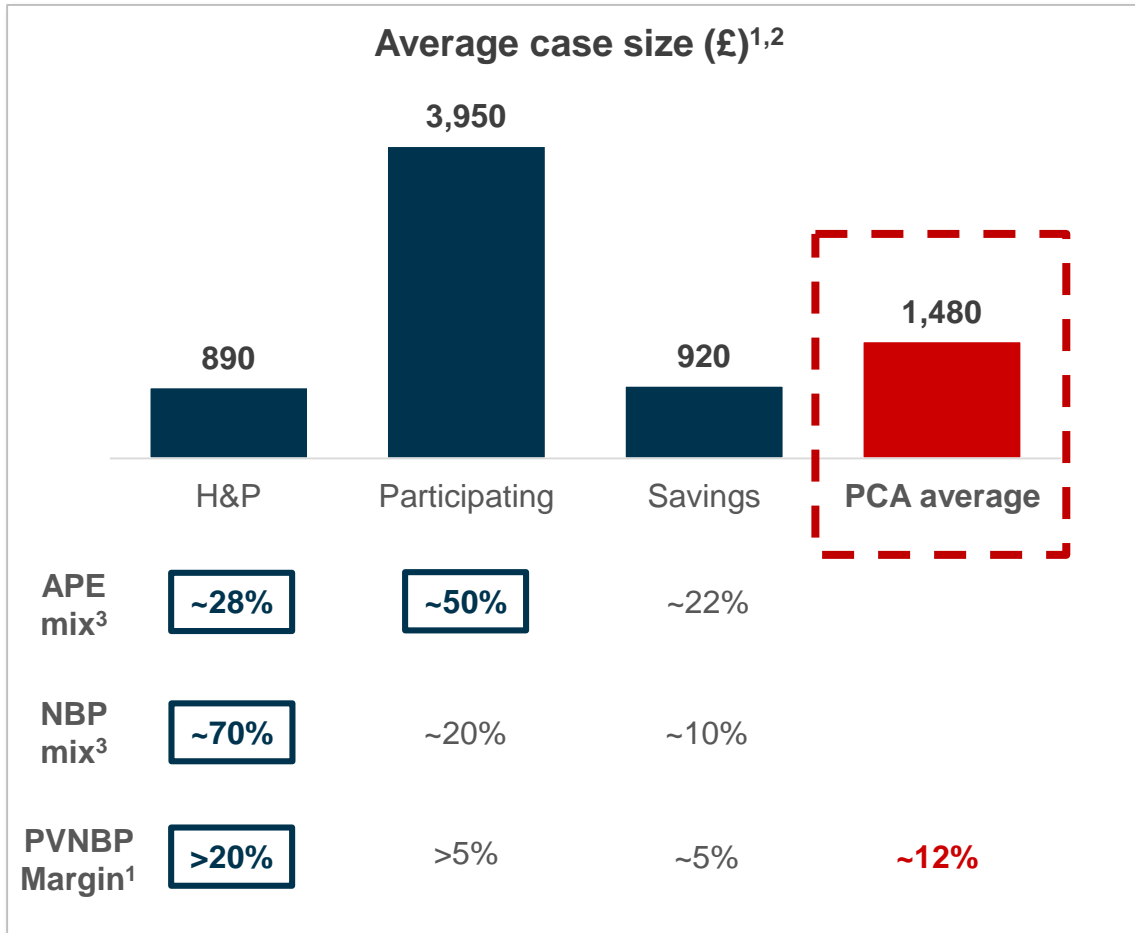


1. Shown on a present value basis incorporating expected decrements.  
2. Shown for PCA excluding India for Q3'18 YTD.  
3. First year regular premium.

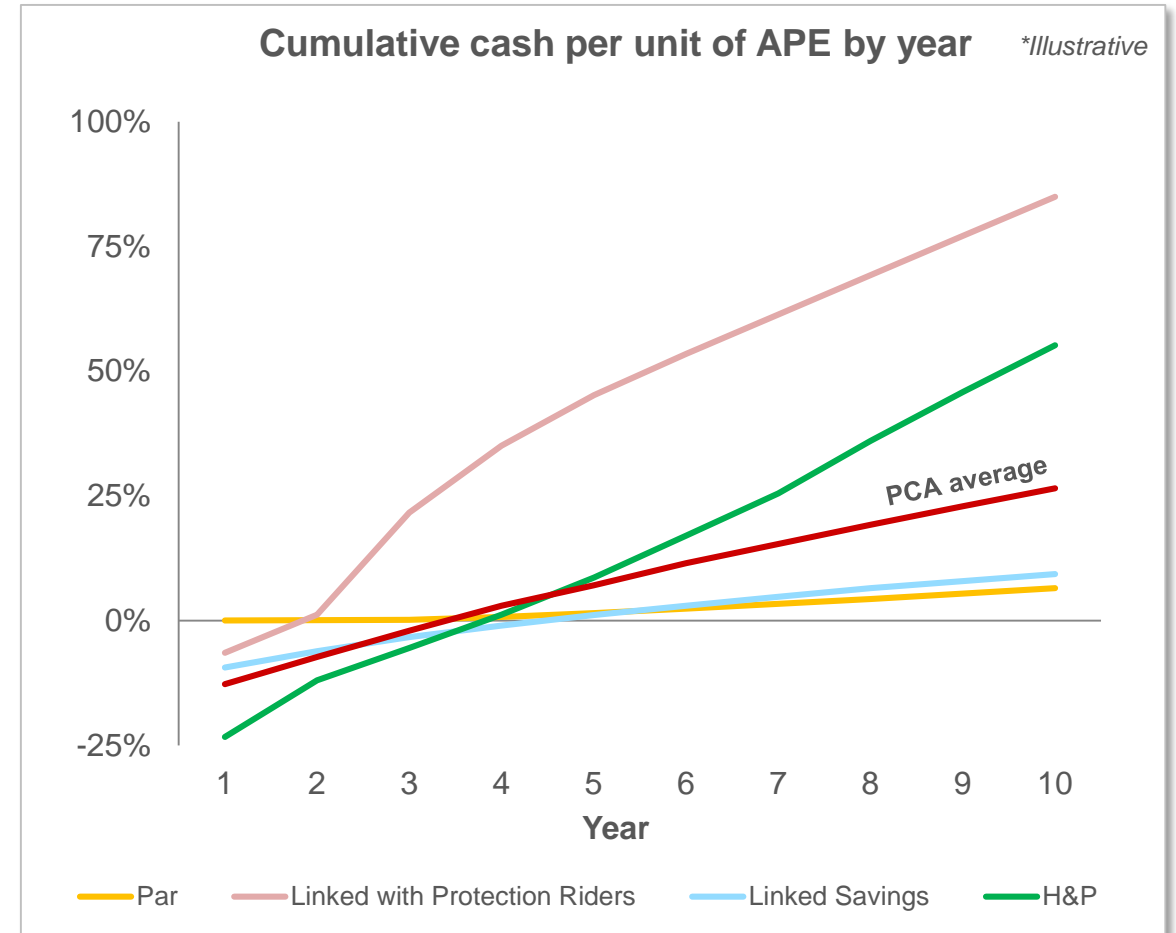
# Long-term orientation

Diversified product mix with attractive economics

## Product Mix



## Product cash flows<sup>4</sup>



1. For the year ending 31 December, 2017  
 2. Based on APE.  
 3. For the 6 month period ending 30 June, 2018.  
 4. Based on free surplus generation.





## High Quality Growth

# High Quality Growth

## H&P focus drives NBP growth

### New Business Profit (£m)<sup>1</sup>

2009-2017 CAGRs

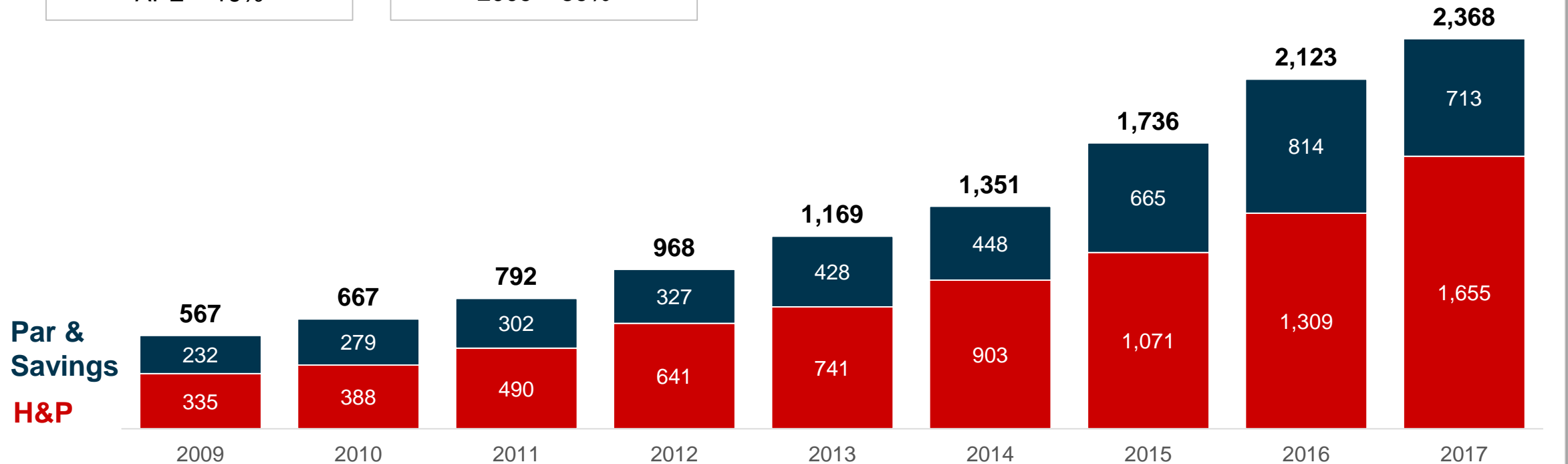
NBP = **20%**

APE = 16%

H&P NBP mix

2017 = **70%**

2009 = 59%

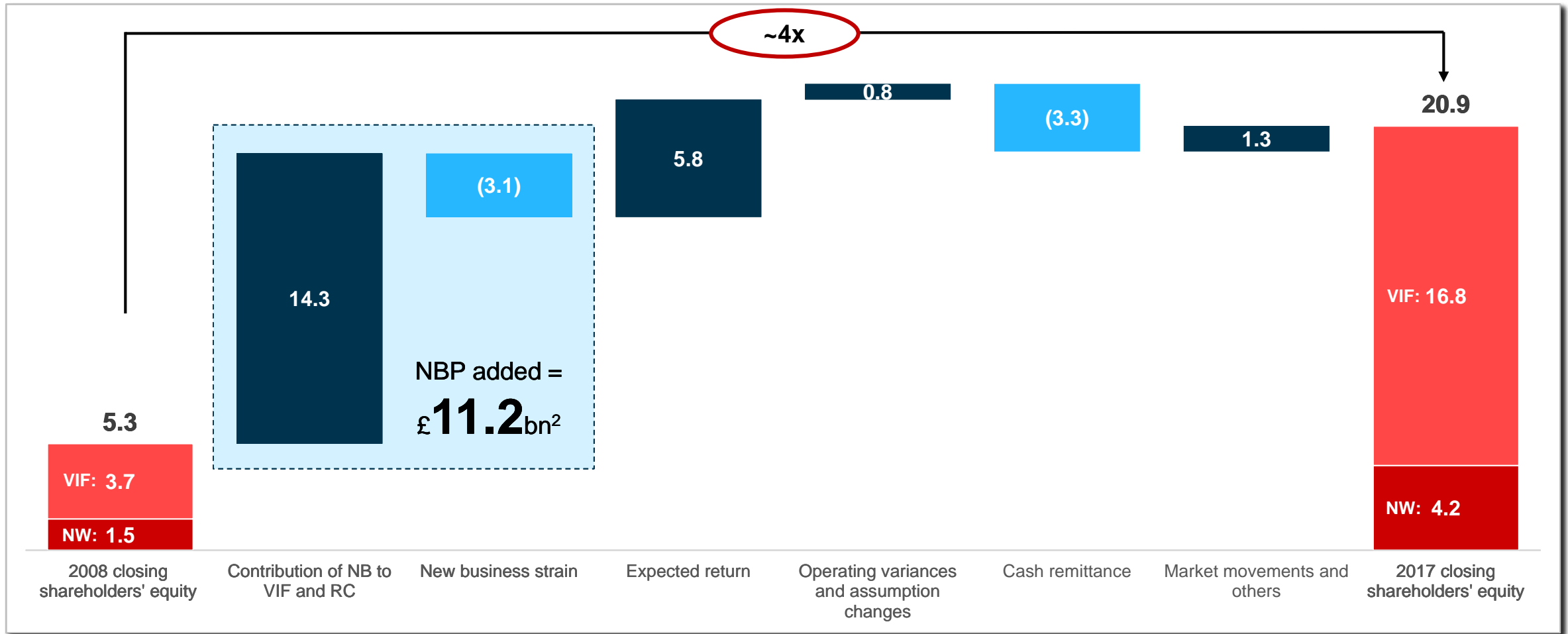


1. All comparative results are shown on a constant exchange rate basis, are post tax and have been adjusted from those previously published to exclude PCA Life Korea and Japan.

# High Quality Growth

## NBP drives growth in future value

Life Embedded Value - FY08 to FY17 (£bn)<sup>1,3</sup>

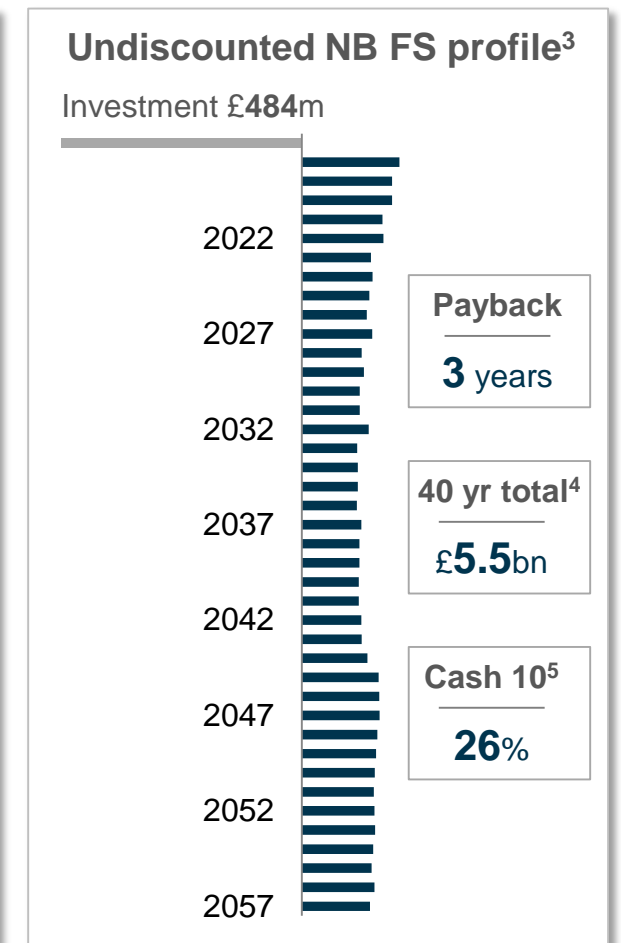
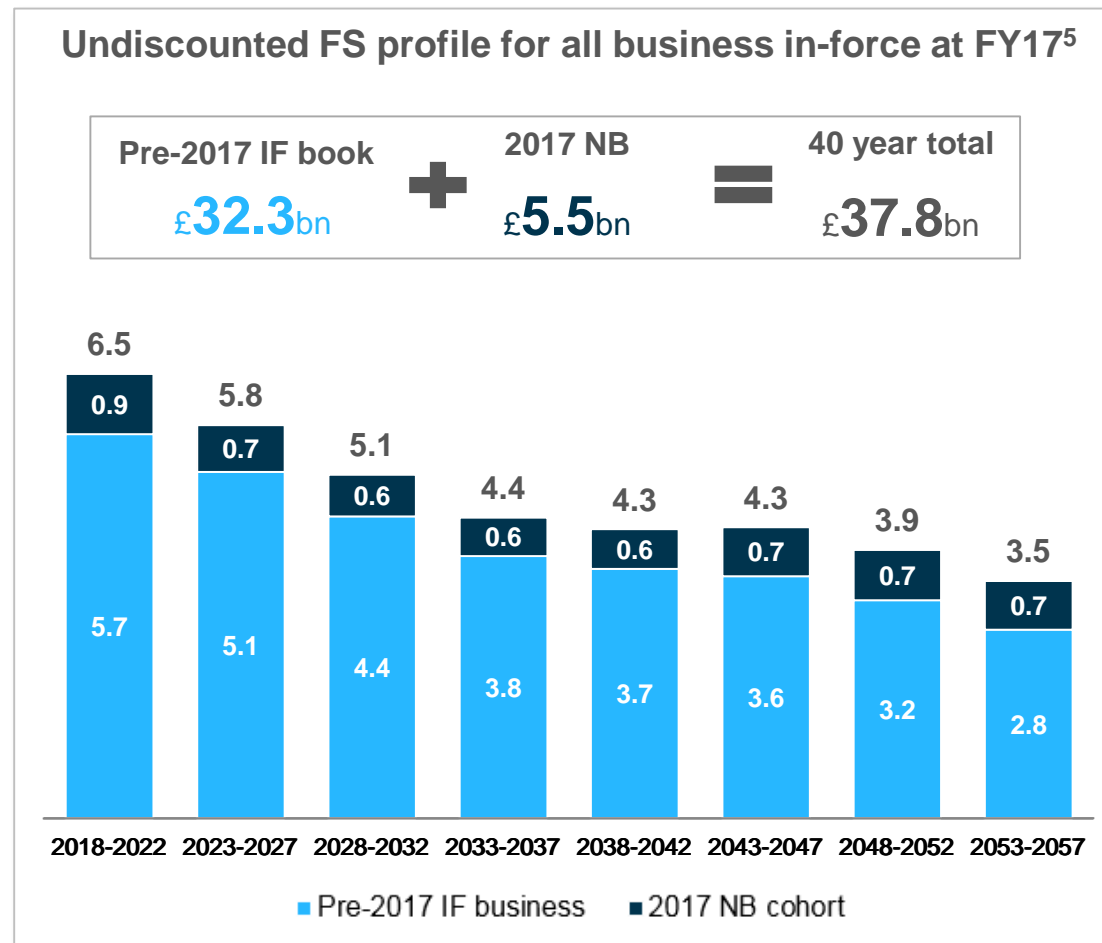
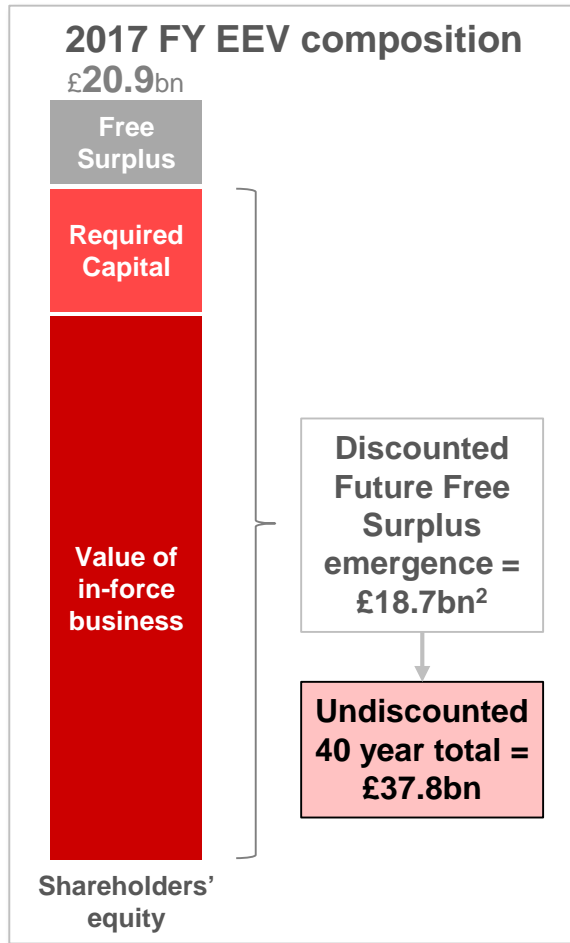


1. EEV basis. Includes PCA Life Korea and Japan. Shown on an actual exchange rate basis.
2. Value added on a constant exchange rate basis excluding PCA Life Korea and Japan is equal to +£11.7bn.
3. Numbers may not add up due to rounding differences.

# High Quality Growth

## Significant stock of future value

### Future Free Surplus emergence for long-term business (£bn)<sup>1</sup>



1. Future Free Surplus emergence is shown gross of the time value of options and guarantees and excludes amounts incorporated into VIF where there is no definitive time frame for when the payments will be made or receipts received.

2. Shown on a discounted basis for all future years as at 31 December, 2017. This consists of £16.6bn in VIF and £2.1bn in Required Capital.

3. For business sold during 2017.

4. Excludes investment in new business.

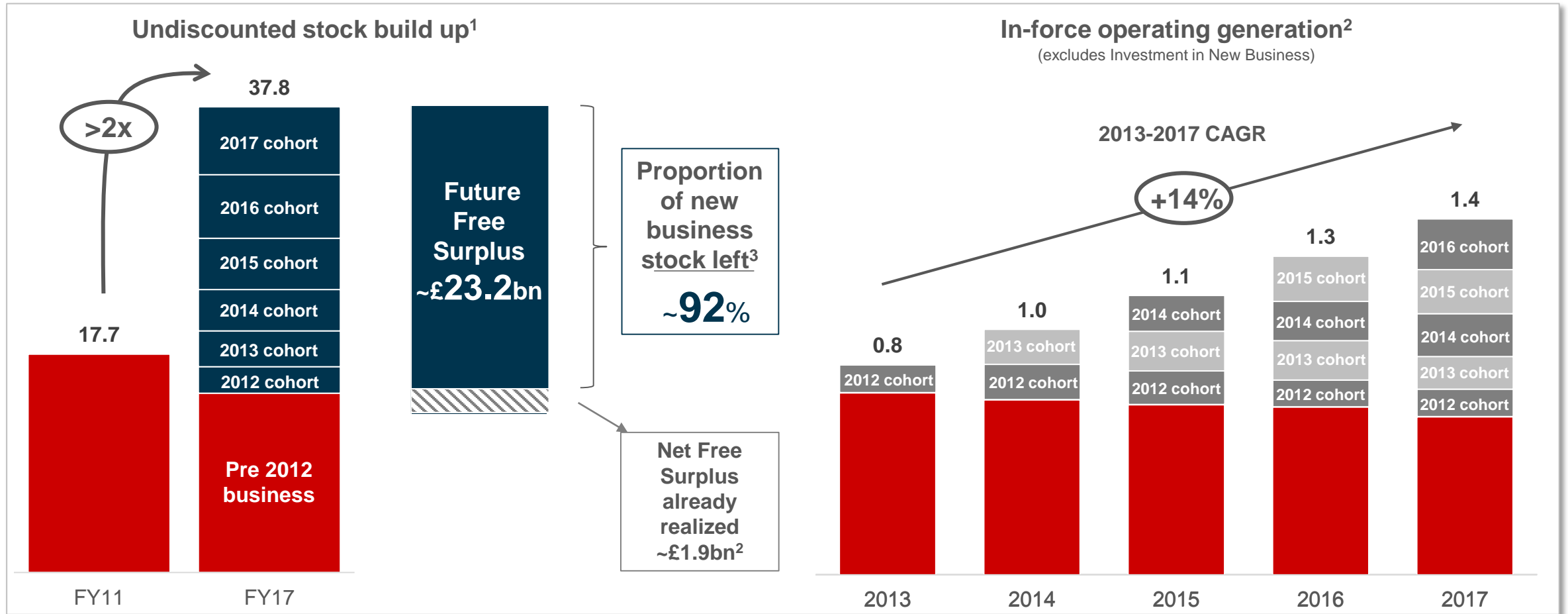
5. Cash 10 is the cumulative net free surplus impact at the end of the 10<sup>th</sup> year since business was inception. It is determined on a calendar year basis and is shown as a percentage of APE for the 2017 new business cohort

6. Numbers may not add up due to rounding differences

# High Quality Growth

## Compounding value and cash

### Life Free Surplus (£bn)



1. The future stock of Free Surplus emergence represents the amounts expected to emerge as Free Surplus over the next 40 years. These amounts are gross of the time value of options and guarantees and exclude amounts incorporated into VIF where there is no definitive time frame for when the payments will be made or receipts received. The results are shown on an actual exchange rate basis.
2. Shown on a constant exchange rate basis. The net total consists of the gross amount of Free Surplus that has been realized, the additional profits now recognized that are due to emerge beyond the original 40 year horizon and the<sup>193</sup> estimated impact of experience variances and assumption changes on future profit expectations.
3. For new business sold between 1 January, 2012, and 31 December, 2017. As at 31 December, 2017 and based on estimate.

# High Quality Growth

Operating model drives long-term value at attractive returns

## Equity

Shareholders' Equity<sup>1</sup>

**£22bn**

Return on EV<sup>2</sup>

**20%**

+

## New Business

H&P Mix<sup>3</sup>

**~70%**

Reinvestment rate<sup>4</sup>

**1/3**

Payback Period<sup>5</sup>

**3 Years**

=

## Earnings & Cash

IFRS Op Profit<sup>2</sup>

**£1,975m**

Cumulative FSG<sup>6</sup>

**£9bn**

1. On an EEV basis as at 30 June, 2018.

2. For the year ending 31 December, 2017.

3. As a proportion of NBP for Q3'18 YTD.

4. Represents investment in new business / underlying free surplus generation, as at FY 2017.

5. For new business in 2017.

6. Represents underlying free surplus generation from in-force life business and asset management, excluding investments in new business over the period from 2009 to 2017 on CER basis.

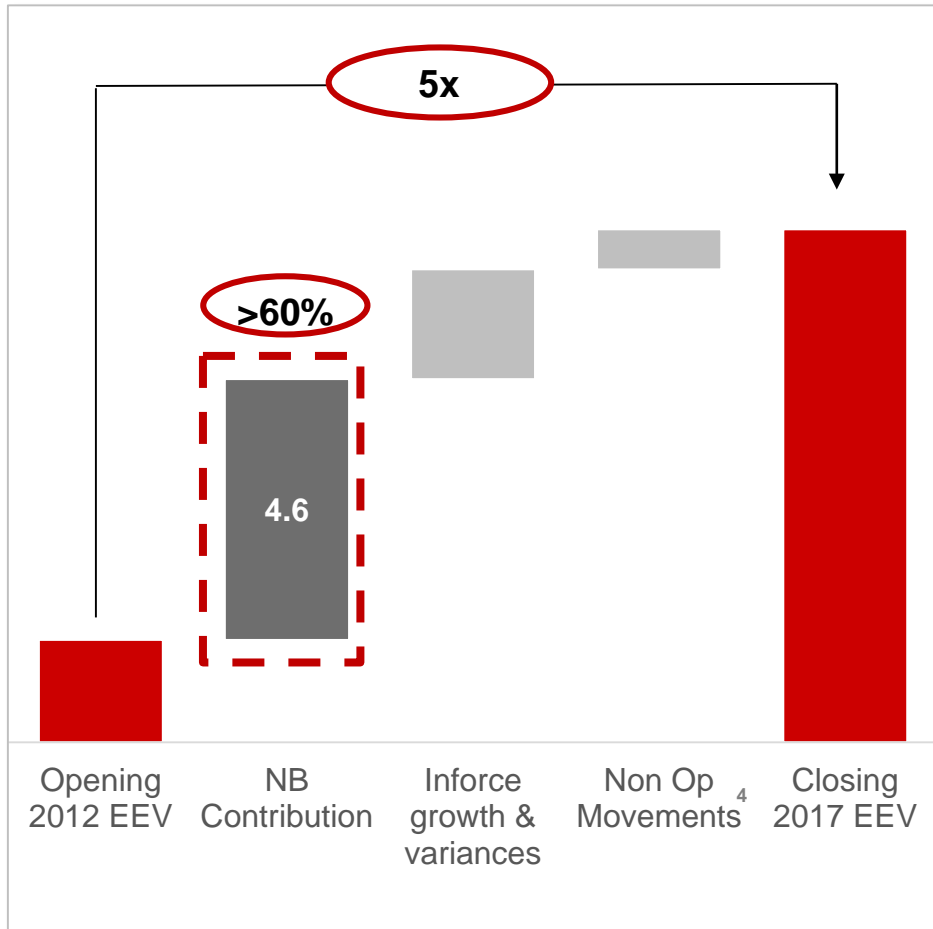


# Portfolio Management

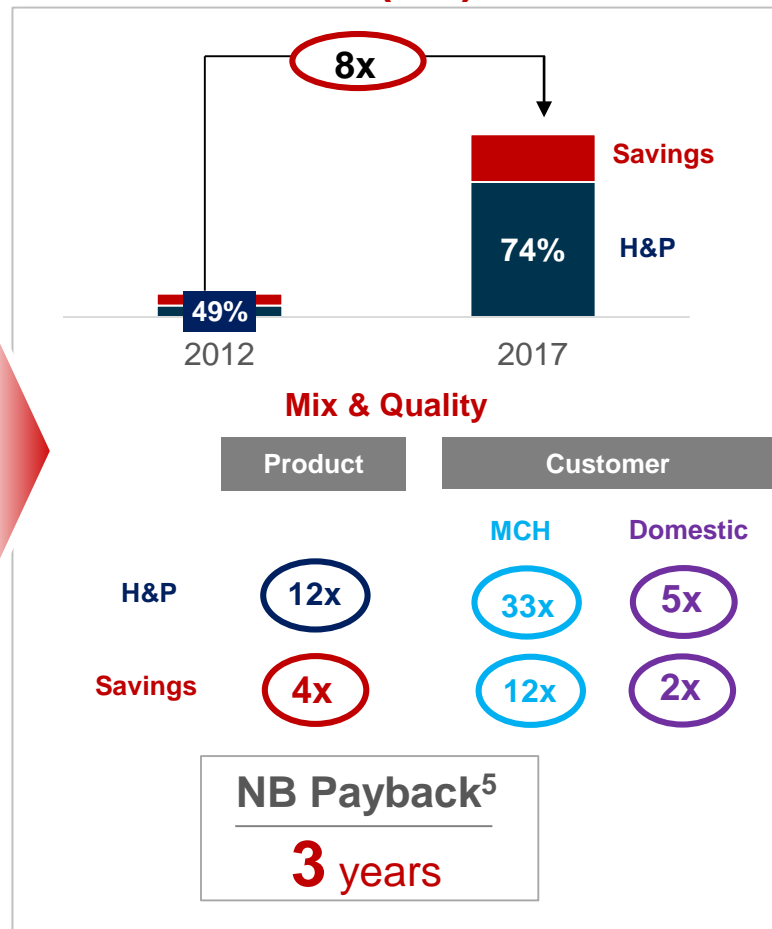


# Portfolio Management Hong Kong

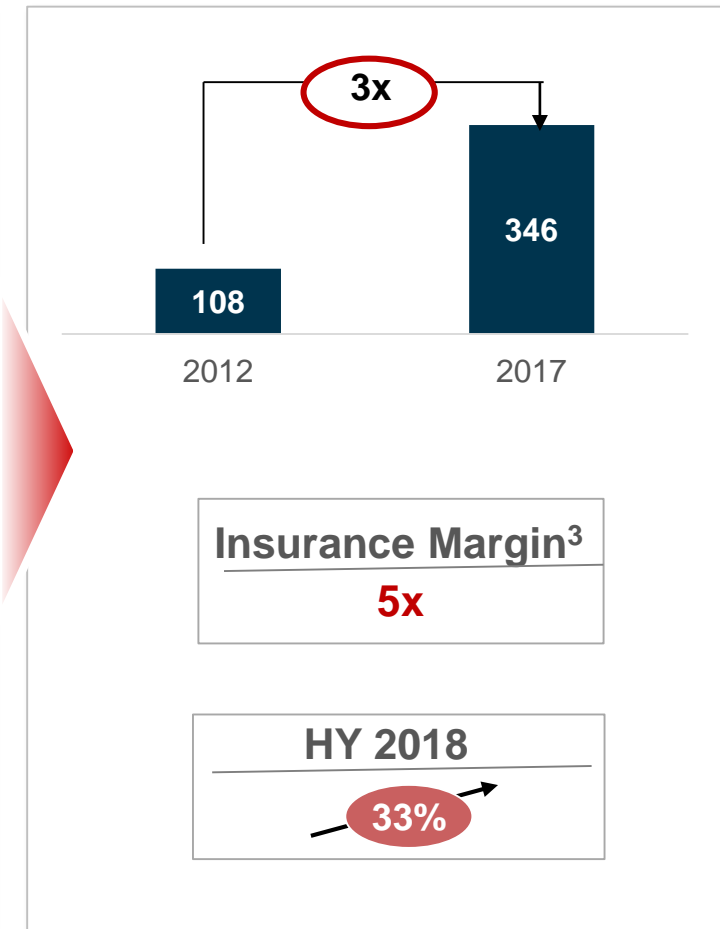
## EEV Shareholders Equity (£bn)<sup>1,3</sup>



## NBP (£m)<sup>2,3</sup>



## IFRS Operating Profit (£m)<sup>3</sup>



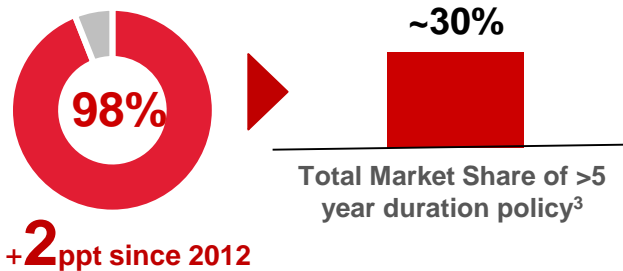
1. On actual exchange rate basis, excluding dividend remittances
2. Results are shown on a constant exchange rate basis and are post tax.
3. Multiple shown are based on 2012 to 2017 time period, on a constant exchange rate basis
4. Represents market movements, changes in economic assumptions, FX and others
5. For new business sold during 2017.

# Portfolio Management Hong Kong

## Quality of new business

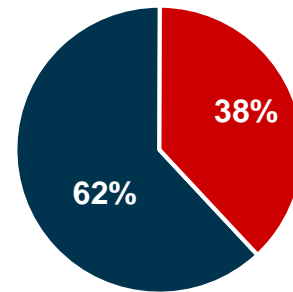
	MCH	Domestic	PHKL
Average case size (£'000) <sup>1</sup>	6	4.8	5.5
No. of policies ('000) <sup>1</sup>	125	86	211
H&P APE Mix <sup>1</sup>	27%	23%	26%
	(+7ppt) <sup>5</sup>	(+3ppt) <sup>5</sup>	(+6ppt) <sup>5</sup>

## Regular Premium Mix<sup>1</sup>



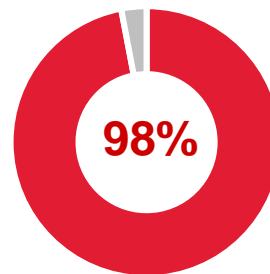
## Quality of inforce

### Value of inforce<sup>1</sup>



■ Health & Protection ■ Savings

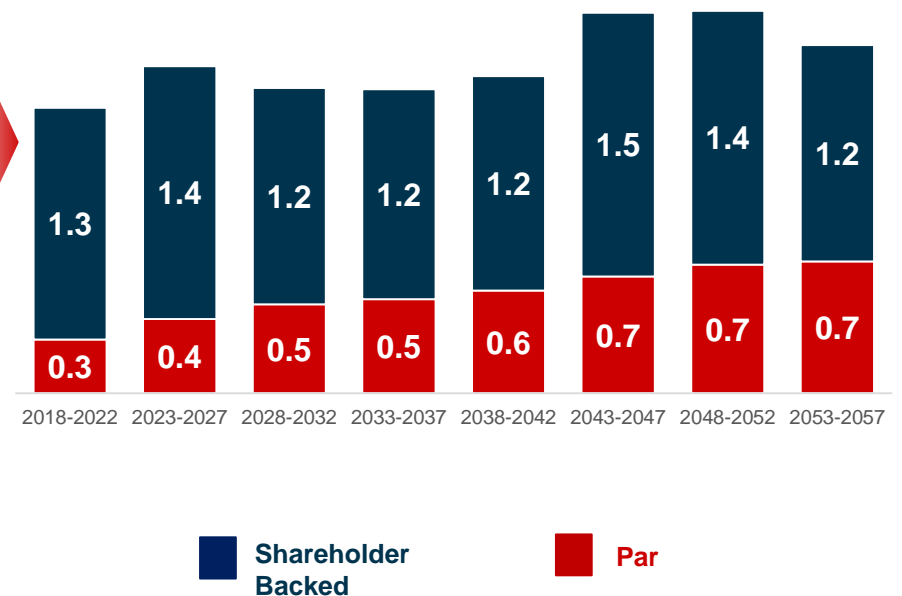
### Customer Retention Ratio<sup>4</sup>



## In-force Free Surplus emergence<sup>2</sup>

40 year total

£14.8bn

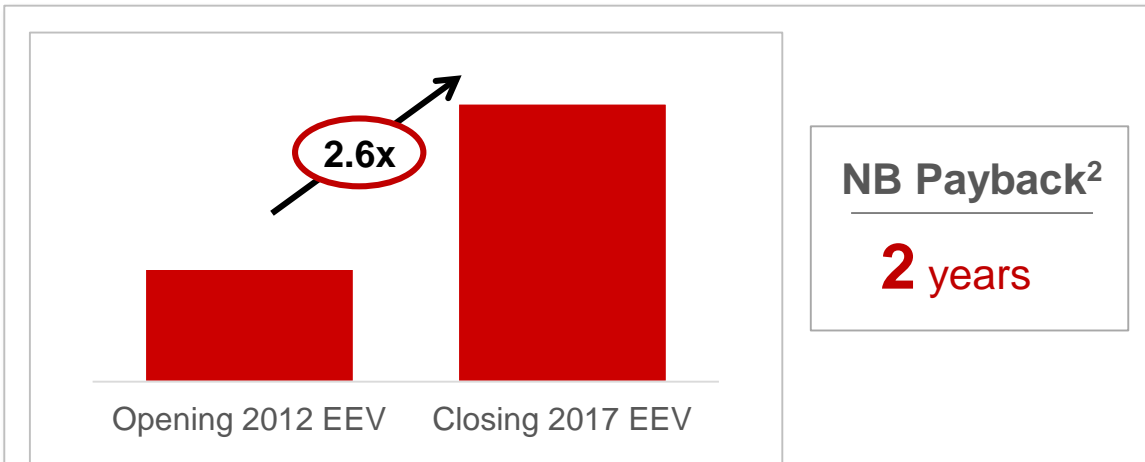


1. As at YTD September 2018. Average case size on APE basis.  
2. Shown on an undiscounted basis as at 31 December 2017

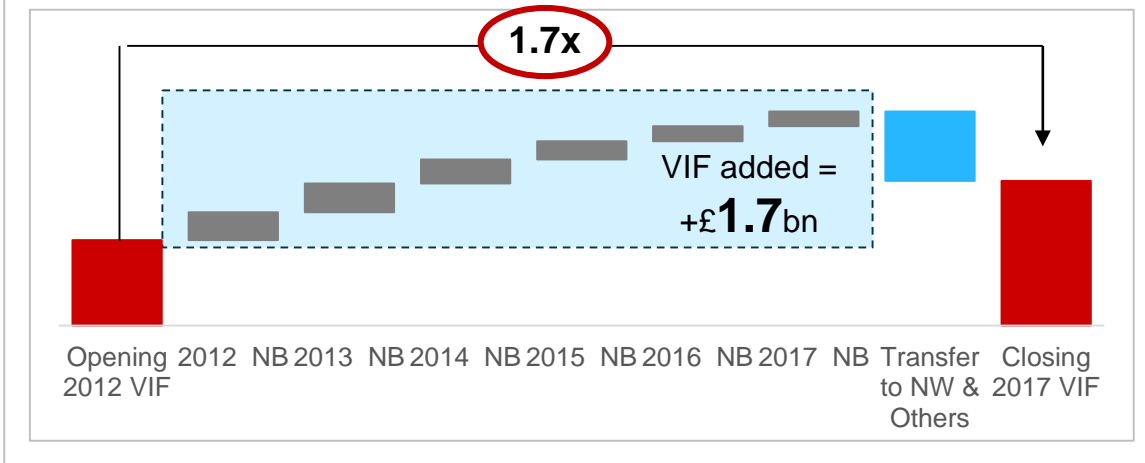
3. Source: Insurance Authority, Hong Kong; Weighted premium income for 6 months to 30 June 2018  
4. FY2017  
5. Represent increase in mix from 2012 to 2017

# Portfolio Management Indonesia

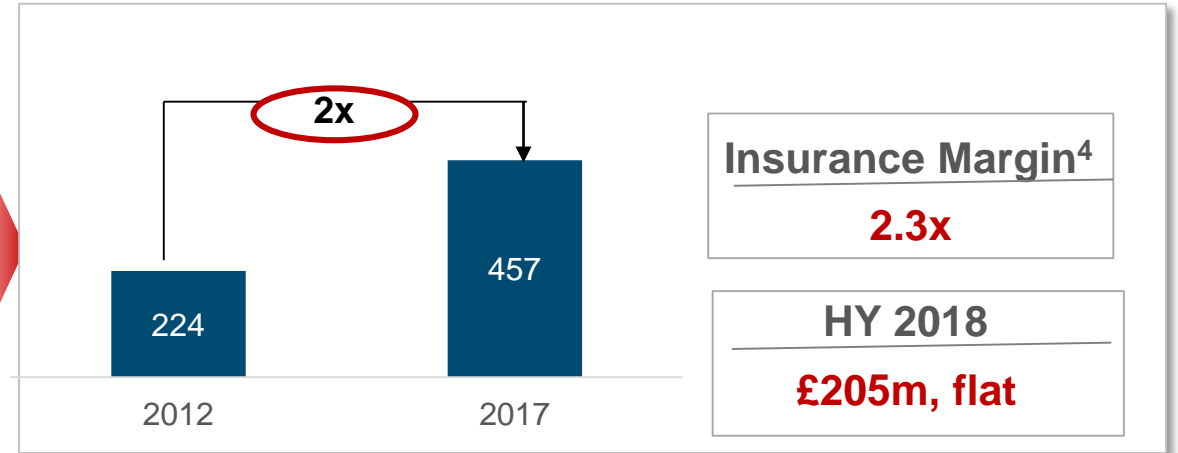
## EEV Shareholders Equity (£'bn)<sup>1</sup>



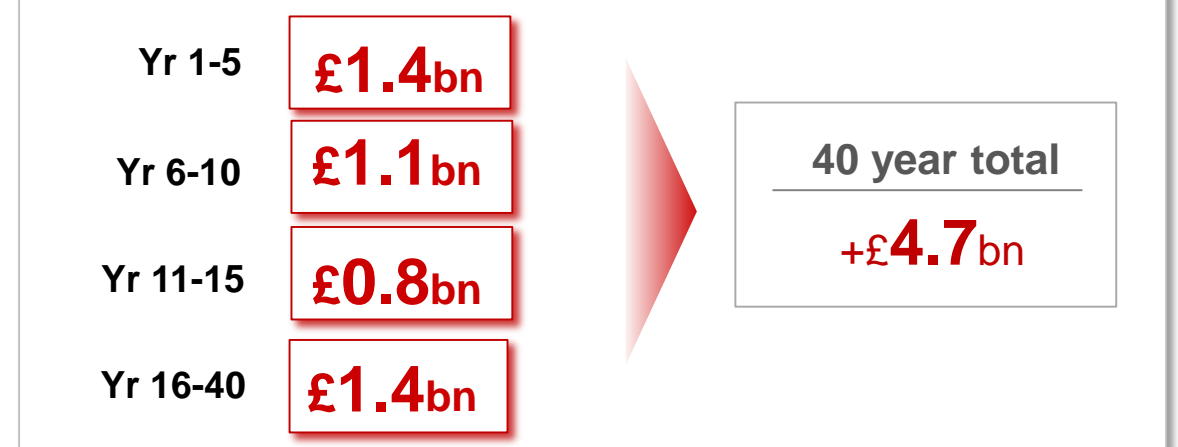
## Value of inforce<sup>1</sup>



## IFRS Operating Profit (£'m)<sup>4</sup>



## In-force Free Surplus emergence (£'bn)<sup>3</sup>

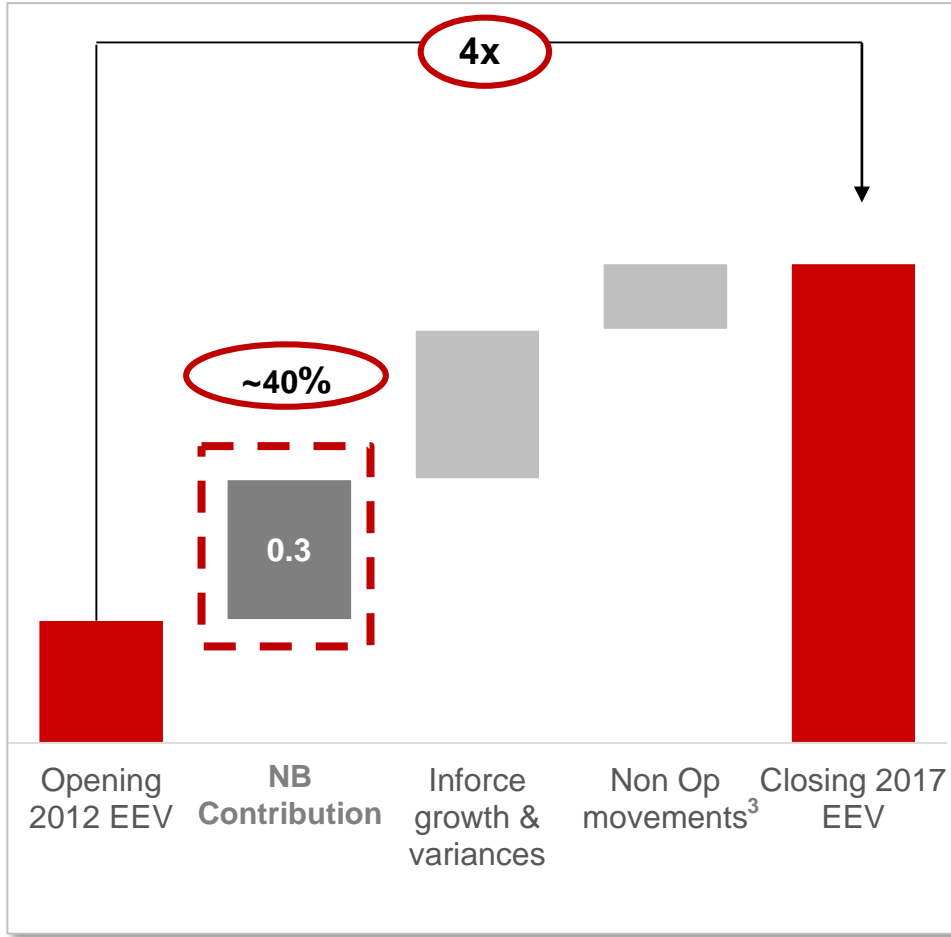


1. Shown on an actual exchange rate basis before cash remittance.  
 2. For new business sold during 2017.  
 3. Shown on an undiscounted basis as at 31 December 2017  
 4. Multiple shown are based on 2012 to 2017 time period.

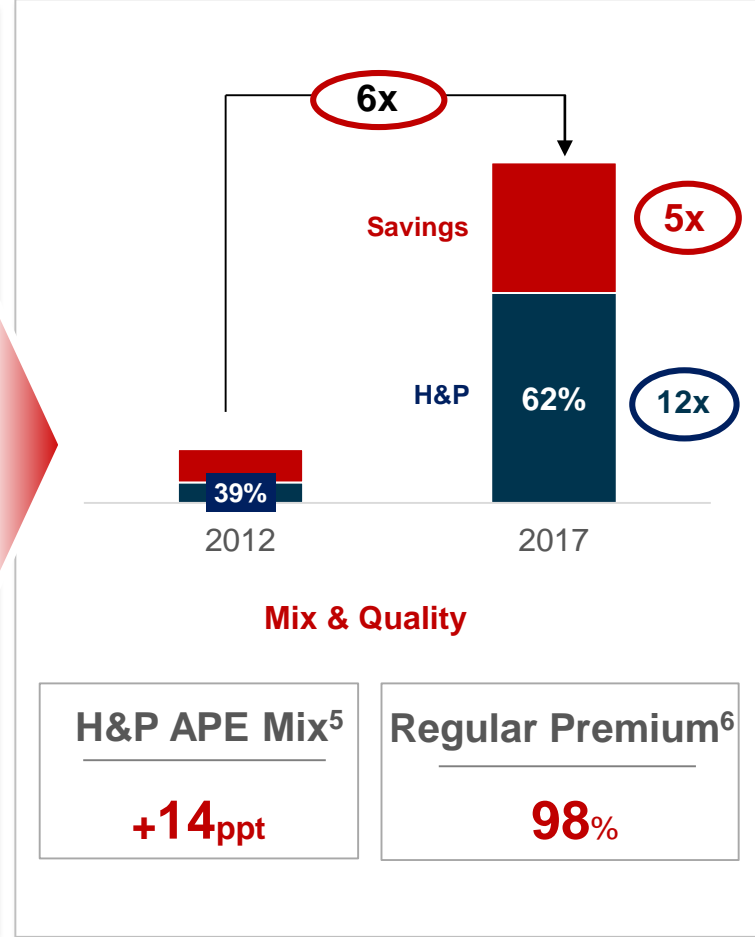
# Portfolio Management

## China @50%

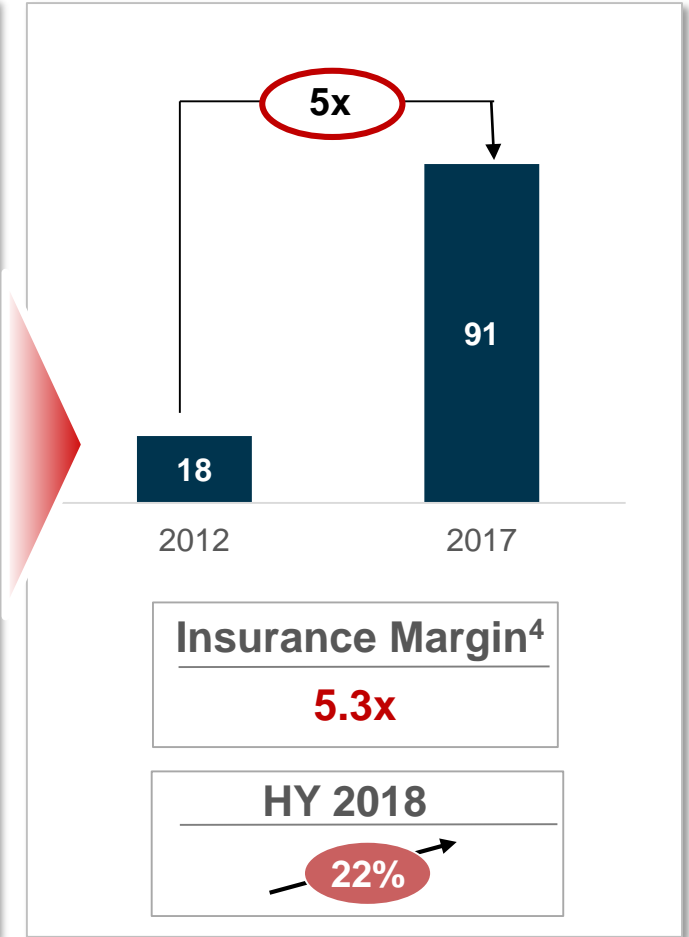
### EEV Shareholders Equity (£bn)<sup>1</sup>



### NBP (£m)<sup>2</sup>



### IFRS Operating Profit (£m)<sup>2</sup>



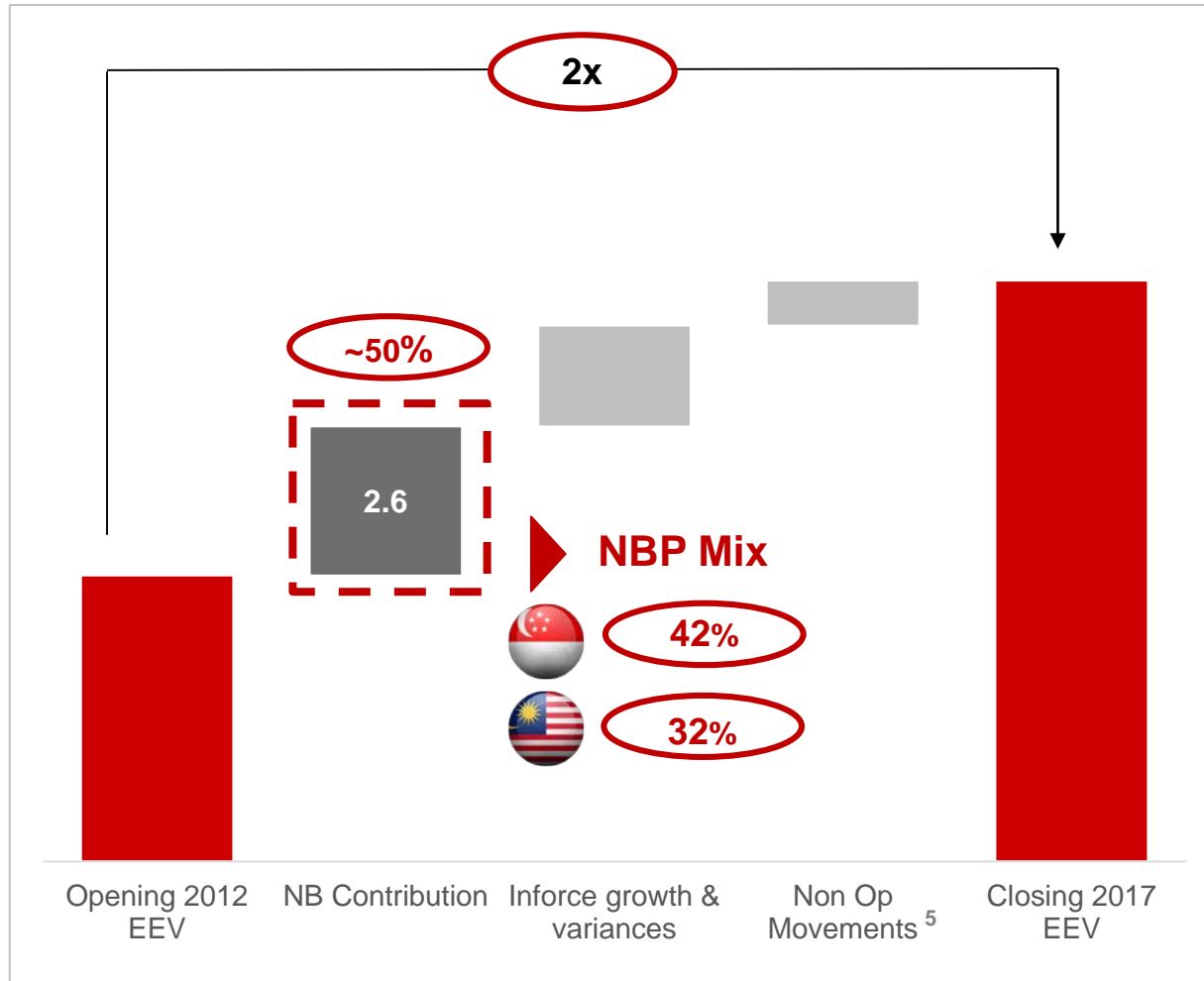
1. Shown on an actual exchange rate basis before cash remittance  
 2. On constant exchange rate basis  
 3. Represents market movements, changes in economic assumptions, FX and others  
 4. Multiple shown are based on 2012 to 2017 time period

5. Increase in mix for the period from 2012 to 2017  
 6. As at YTDQ3 2018

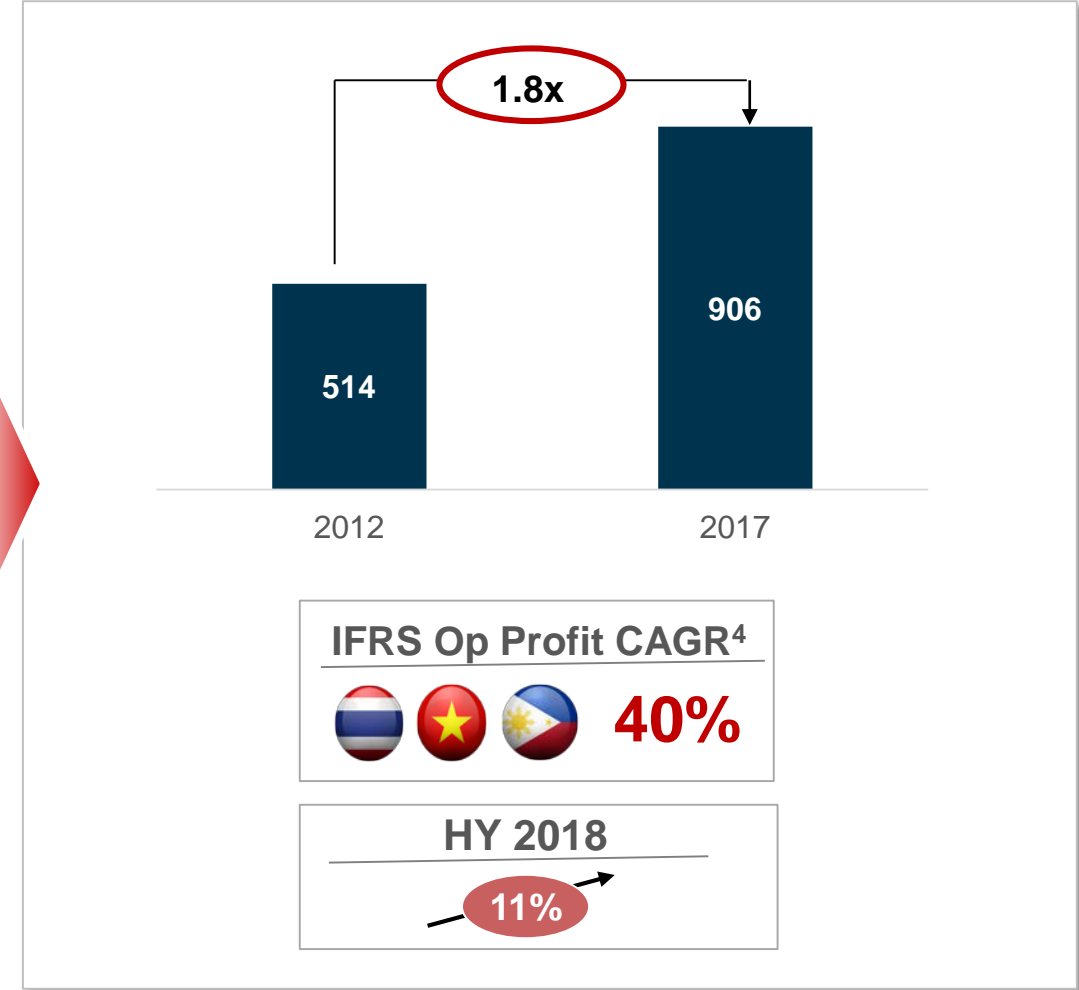
# Portfolio Management

## Asia<sup>3</sup> excluding Hong Kong, China and Indonesia

EEV Shareholders Equity (£bn)<sup>1</sup>



IFRS Operating Profit (£m)<sup>2</sup>



1. Shown on an actual exchange rate basis before cash remittance, including Korea and Japan.

2. On constant exchange rate basis

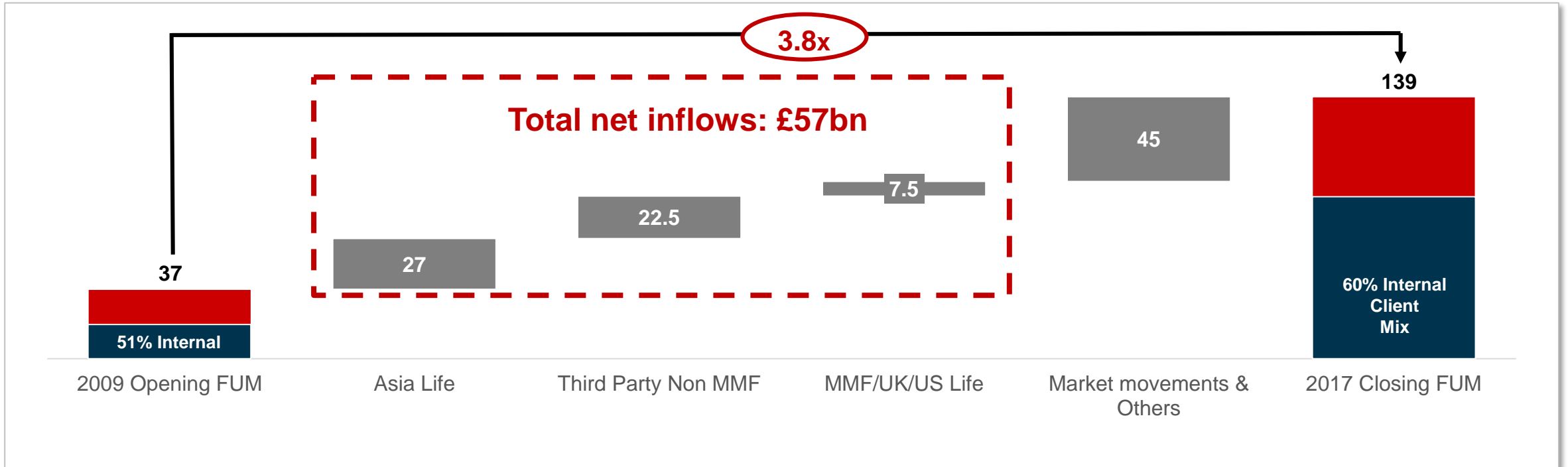
3. Represents PCA's footprint in Asia including Malaysia, Singapore, Thailand, Vietnam, Philippines, India, Taiwan, Cambodia and Laos

4. Based on growth from 2012 to 2017

5. Represents market movements, changes in economic assumptions, FX and others

# Portfolio Management Eastspring

## Funds Under Management (£bn)<sup>1</sup>



Margin on FUM<sup>2</sup>

**30**<sub>bps</sub>

Cost / Income Ratio<sup>2</sup>

**53%**

Equity Mix<sup>3</sup>

**51%**

'Top 2 Quartile' Funds<sup>4</sup>

**59%**

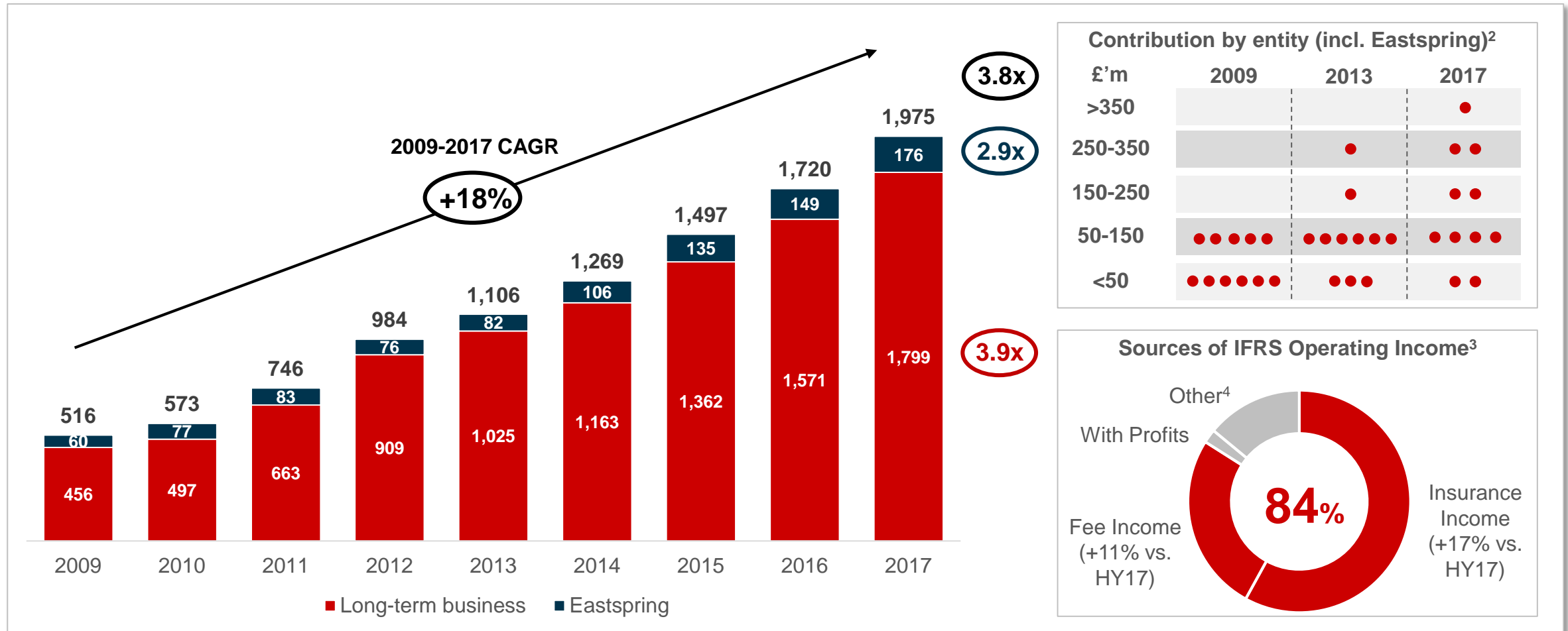
1. On actual exchange rate basis.  
2. For the 6 month period ending 30 June, 2018.  
3. As at 30 June 2018

4. Source: Eastspring Investments. Outperformance is defined as outperforming benchmark or in top 2 quartiles over 1 or 3 year rolling periods. Fund with no benchmark and no peer ranking are excluded from aggregate score. Peer ranking is based on an appropriate universe that was discussed and agreed with the Fund Managers; as at 30 June 2018

# Portfolio Management

## Value growth translating into earnings

### IFRS Operating Profit (£m)<sup>1</sup>



1. Shown on a constant exchange rate basis. Excludes Korea Life and Japan.

2. Presentation consistent with the 'IFRS operating profit by business unit' disclosure. Excludes Korea, Japan and non-recurring items. 'Other' is shown as a single item and includes India, Laos and Cambodia. Constant exchange rate basis.

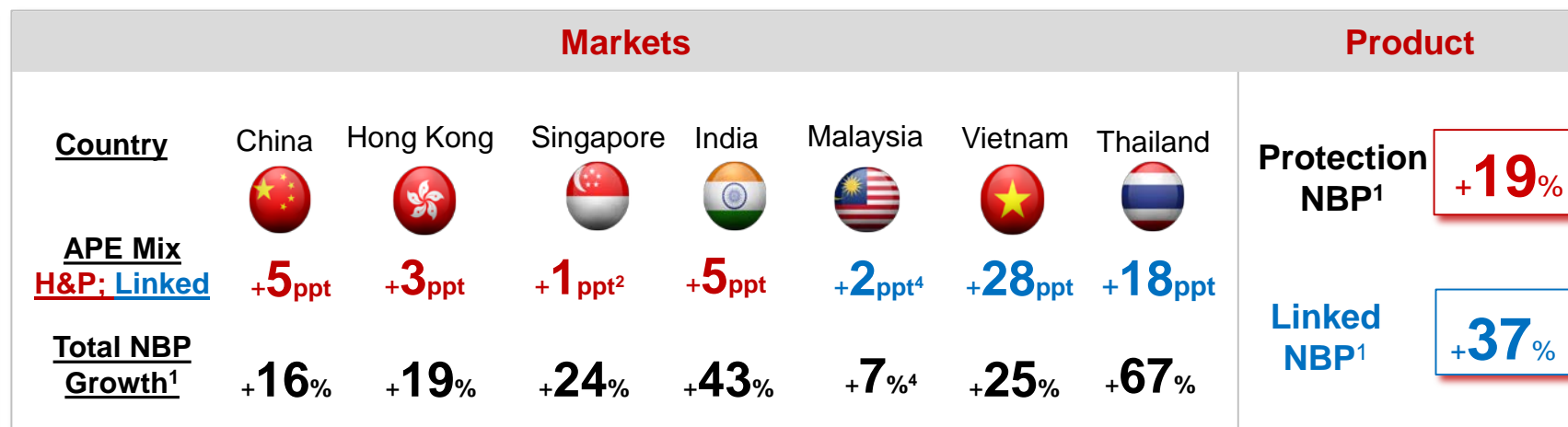
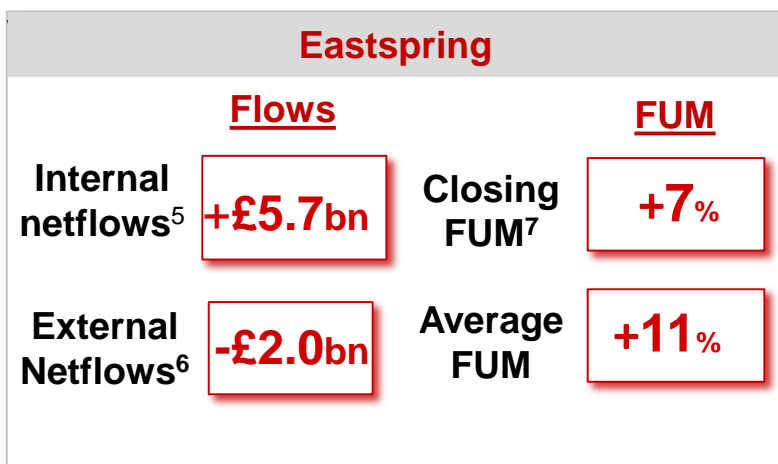
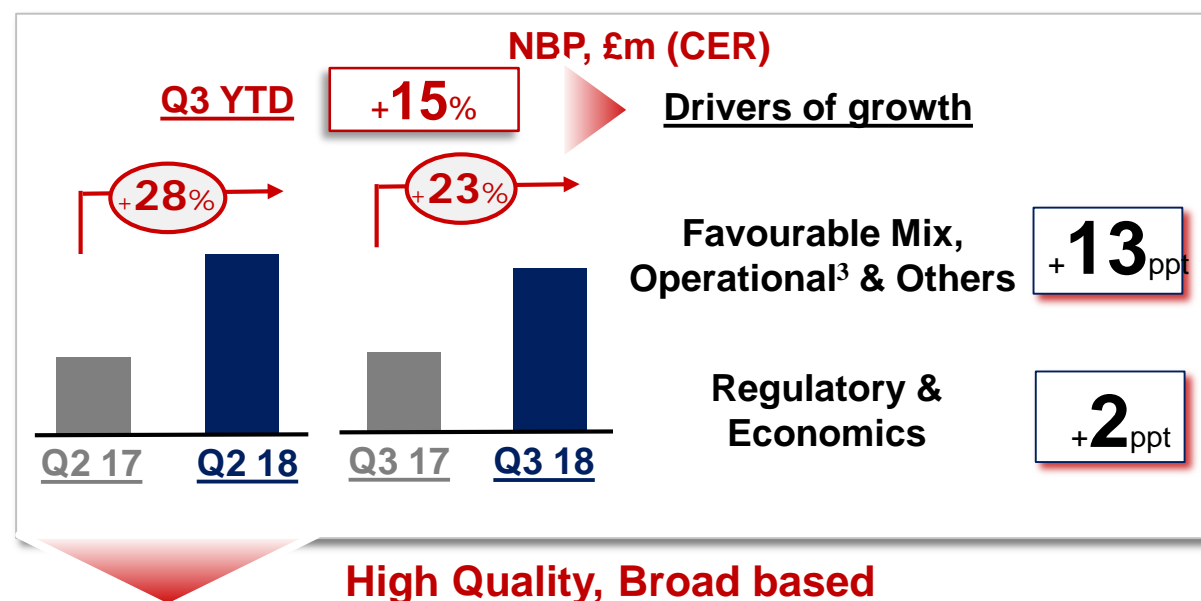
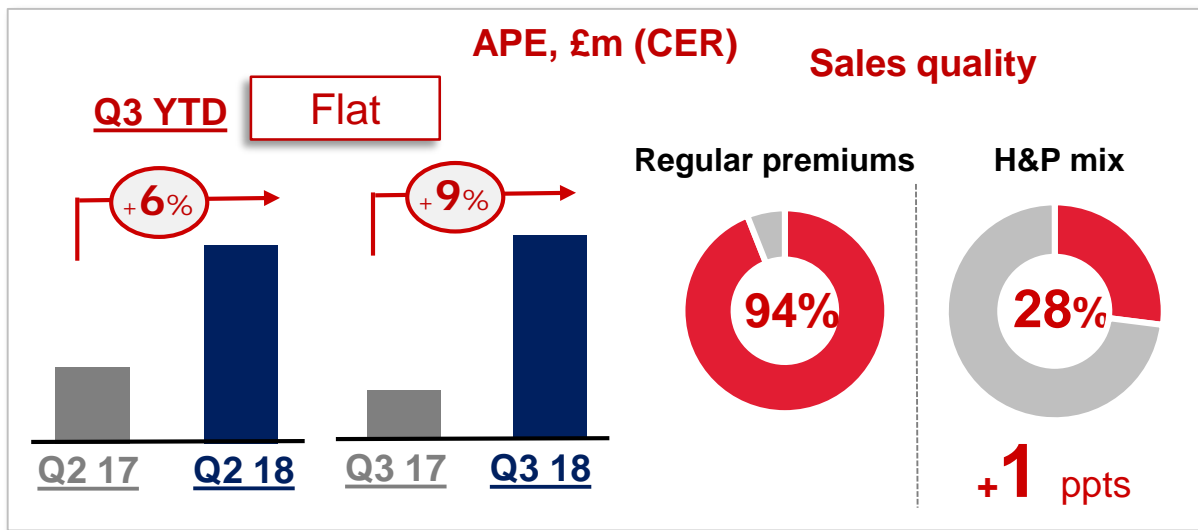
3. For the 6 month period ending 30 June, 2018. Total equals £1,247m.

4. Other comprises spread income and the expected return on shareholders' net assets.



# Financial Update

## Q3'2018 performance



1. Represents year-on-year growth for YTD Q3 on CER basis

2. Excluding group business

3. Operational effect includes experience related assumption changes and model related changes

4. Represents increase in linked protection business for Malaysia Combined.

5. Including flows from Asia, UK, MMF.

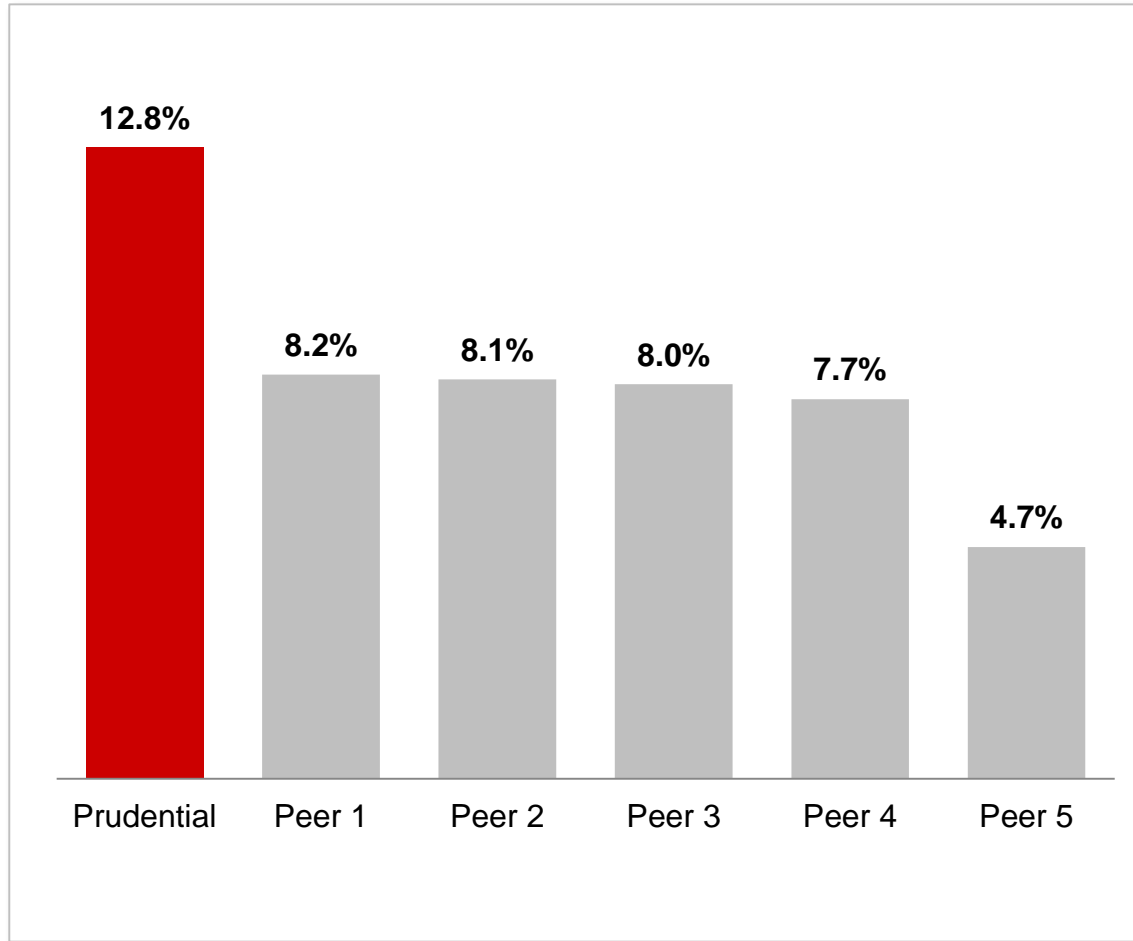
6. 3<sup>rd</sup> Party ex MMF netflows.

7. 9 months growth to Q3 2018 on constant exchange rate basis including TMBAM represent acquisition of TMB Asset Management Co. Limited in September 2018.

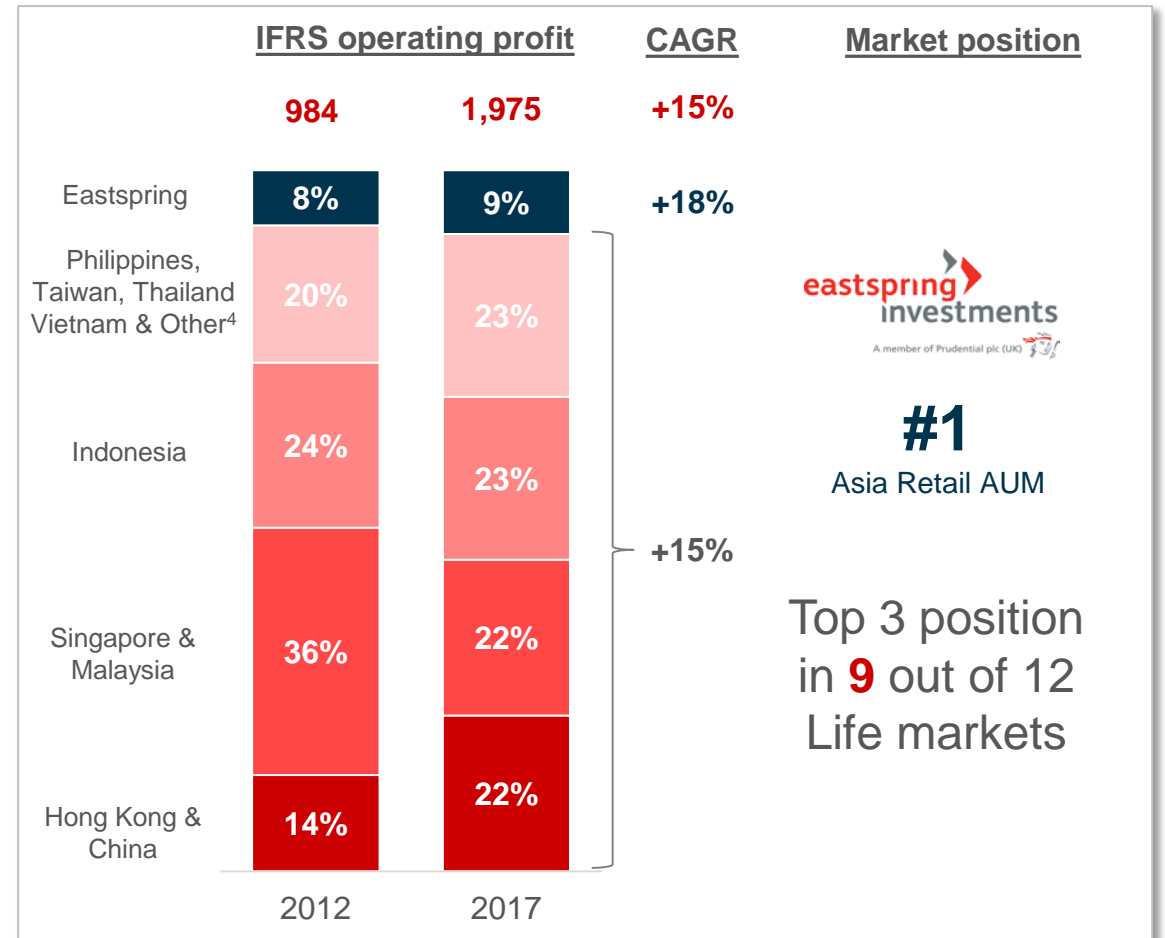
# Portfolio Management

## Balanced portfolio and strong relative performance

### Multinational / regional peer comparison of NBP / EV Equity<sup>1</sup>



### IFRS operating profit and market position (£m)<sup>2,3</sup>



1. Using 2017 NBP and opening shareholders' equity on an EV basis. Peers are multinational companies with businesses across Asia-Pacific. Results are shown only for Asia life businesses and include Japan where relevant.

2. Shown on a constant exchange rate basis. Excludes PCA Korea Life.

3. Based on 2017. Source: Based on formal (Competitors' results release, local regulators and insurance associations) and informal (industry exchange) market share data. Ranking based on life weighted premium for Hong Kong and Singapore and new business (APE<sup>204</sup> or weighted FYP depending on the availability of data) for remaining countries. Singapore includes onshore only, excluding Eldersfield and DPS. Malaysia excludes Group business. China ranking amongst foreign JVs. India considers private segment only.

4. Other includes India, Laos and Cambodia.



## Capability Build

# Capability Build

## Value generation

### Performance levers

#### Core business

- 1 Improve & optimize agency
- 2 Reimagine & reinvent partnerships
- 3 Operational efficiency

#### Health & Protection

- 4 Narrow health & protection gap
- 5 Health value added services
- 6 Digital health offers

#### Eastspring

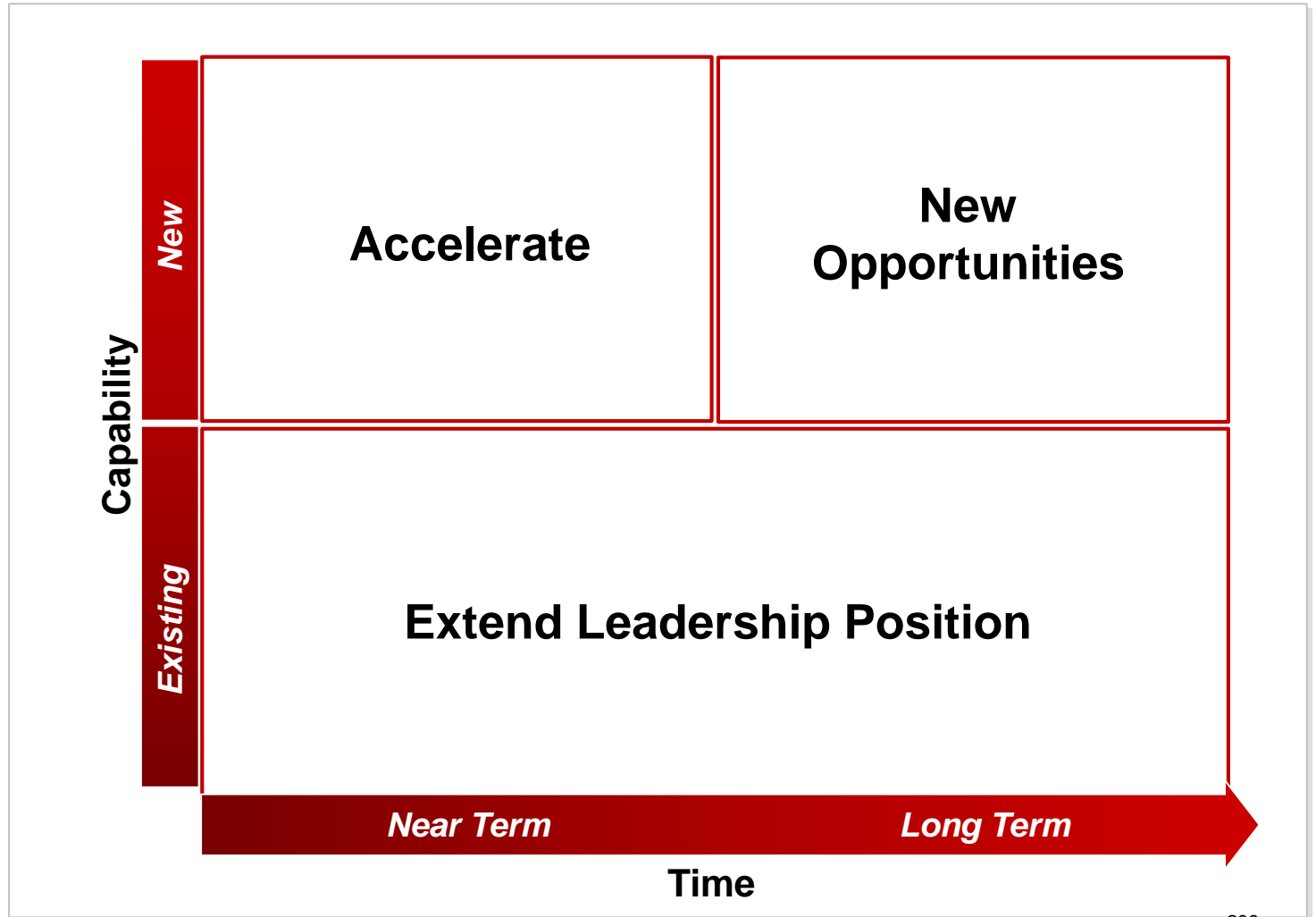
- 7 Broaden investment range
- 8 Expand regional presence
- 9 Digital wealth ecosystem

#### New customer segments

- 10 SME offering
- 11 HNW proposition
- 12 Retirement solutions



### Financial value<sup>1</sup>



1. For long-term business value is determined by the expected incremental uplift in NBP. For Eastspring value is determined by the expected incremental uplift in post-tax capitalised IFRS profits.

# Capability Build

## Value generation

### Performance levers

#### Core business

- 1 Improve & optimize agency
- 2 Reimagine & reinvent partnerships
- 3 Operational efficiency

#### Health & Protection

- 4 Narrow health & protection gap
- 5 Health value added services
- 6 Digital health offers

#### Eastspring

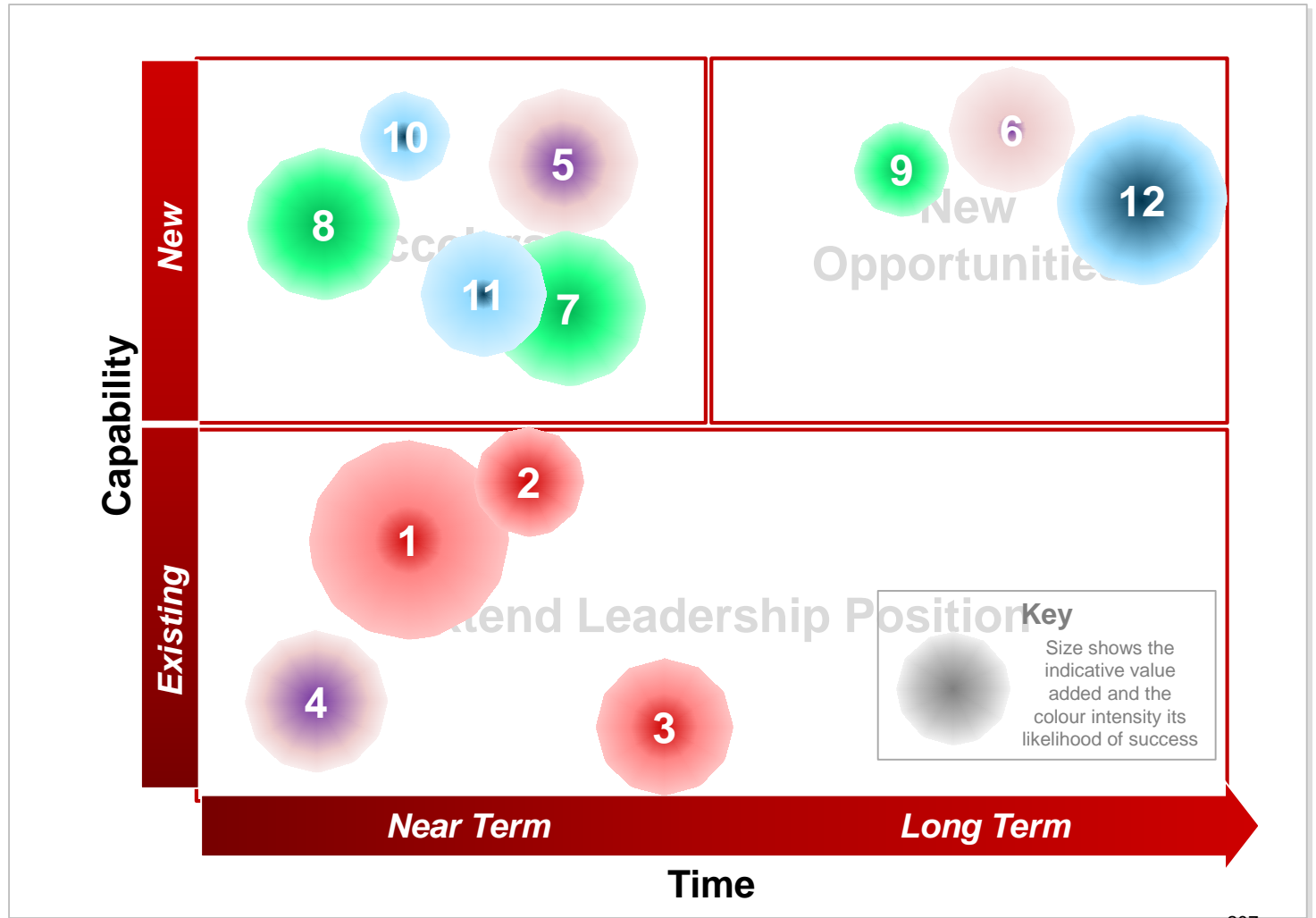
- 7 Broaden investment range
- 8 Expand regional presence
- 9 Digital wealth ecosystem

#### New customer segments

- 10 SME offering
- 11 HNW proposition
- 12 Retirement solutions



### Financial value<sup>1</sup>



1. For long-term business value is determined by the expected incremental uplift in NBP. For Eastspring value is determined by the expected incremental uplift in post-tax capitalised IFRS profits.

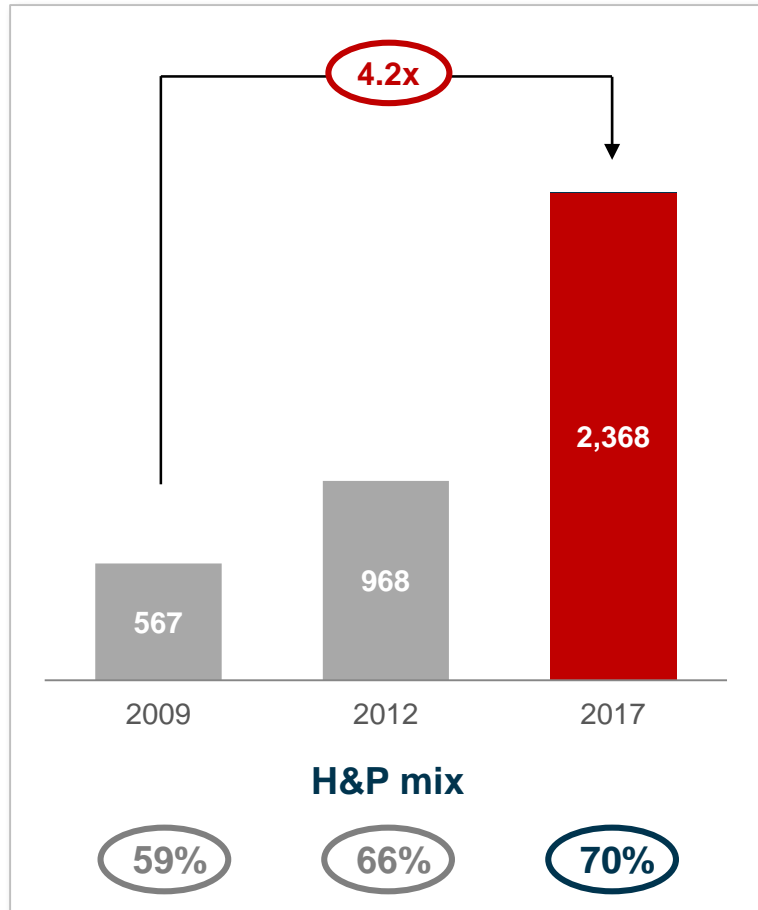


## Multi-metric KPIs

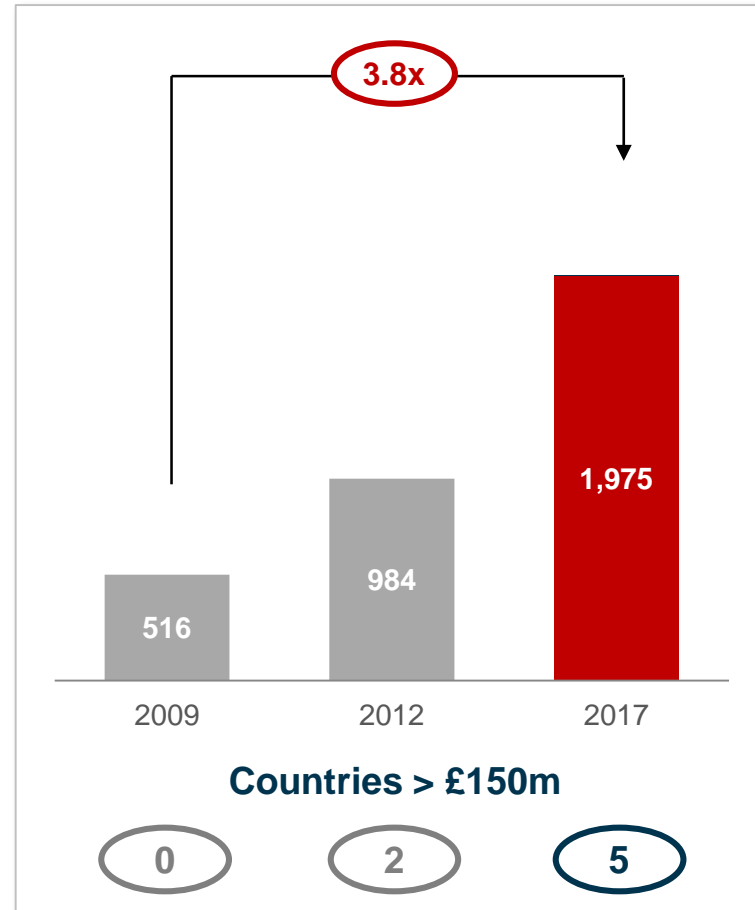
# Multi-metric focus

## Strong progress across KPIs

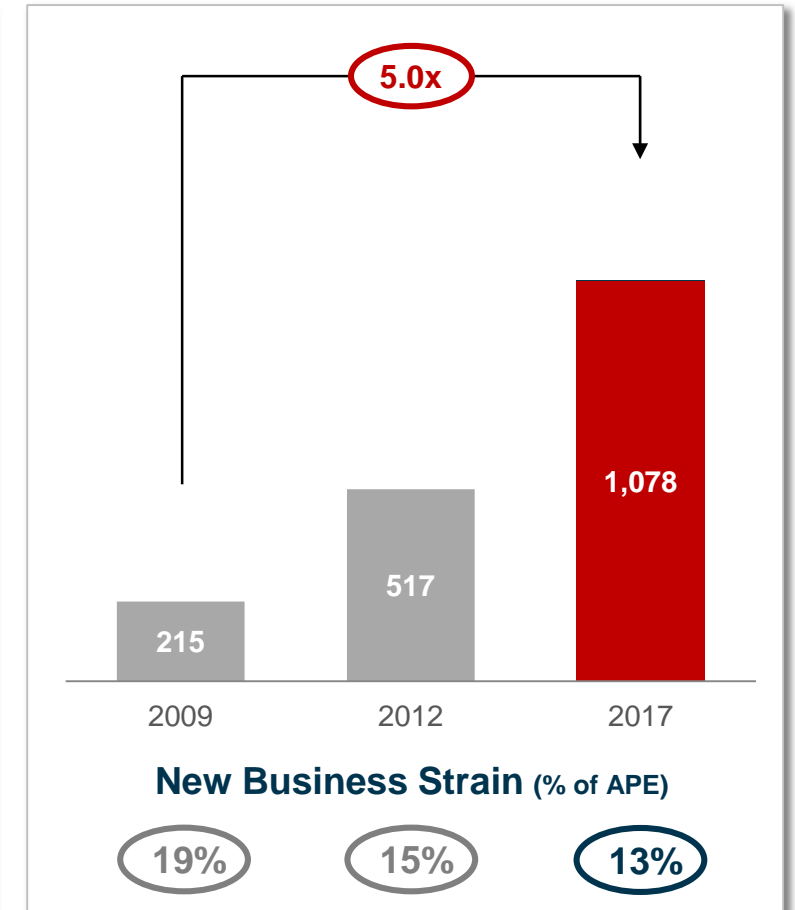
### New Business Profit (£m)<sup>1</sup>



### IFRS Operating Profit (£m)<sup>1,2</sup>



### Operating FSG (£m)<sup>1,2</sup>



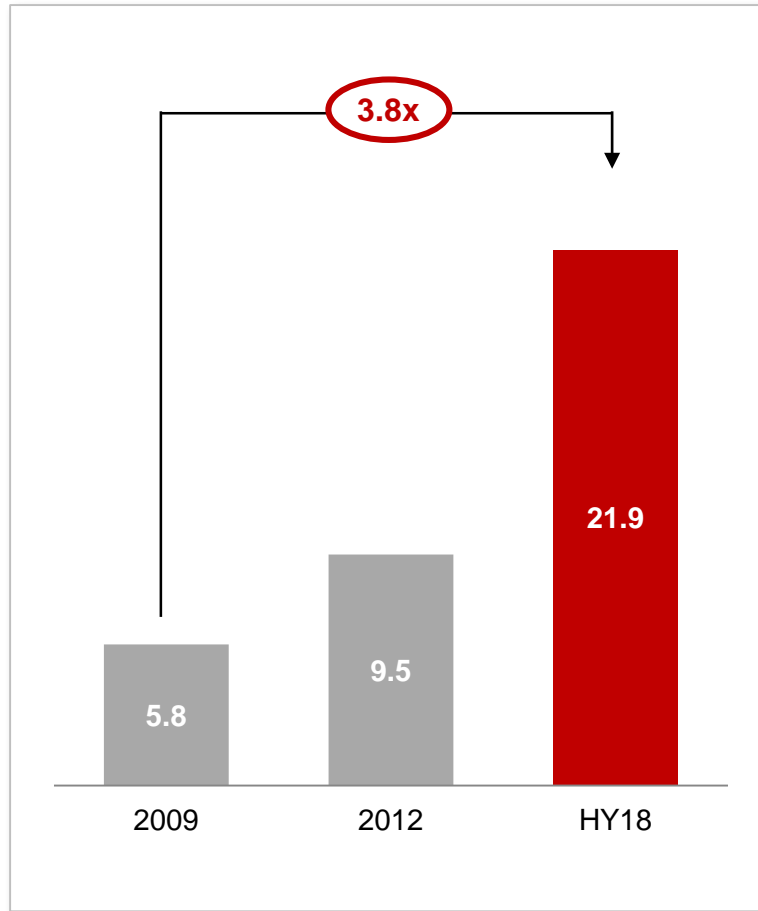
1. Constant exchange rate basis, excluding Korea, Japan and Taiwan Agency.  
 2. Includes Eastspring.



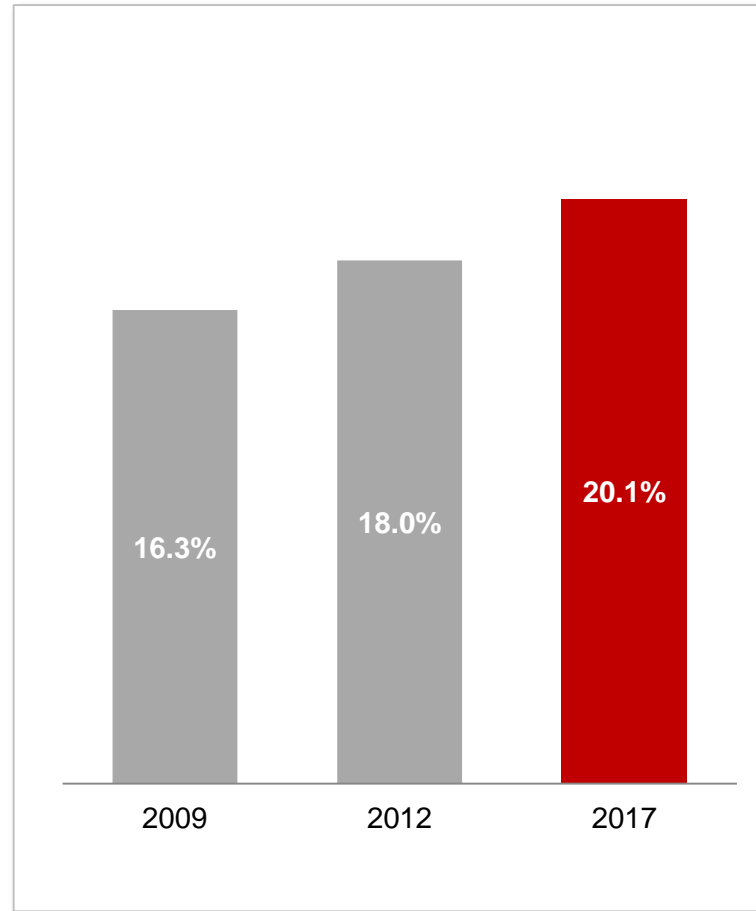
# Multi-metric focus

## Value accretion at attractive returns

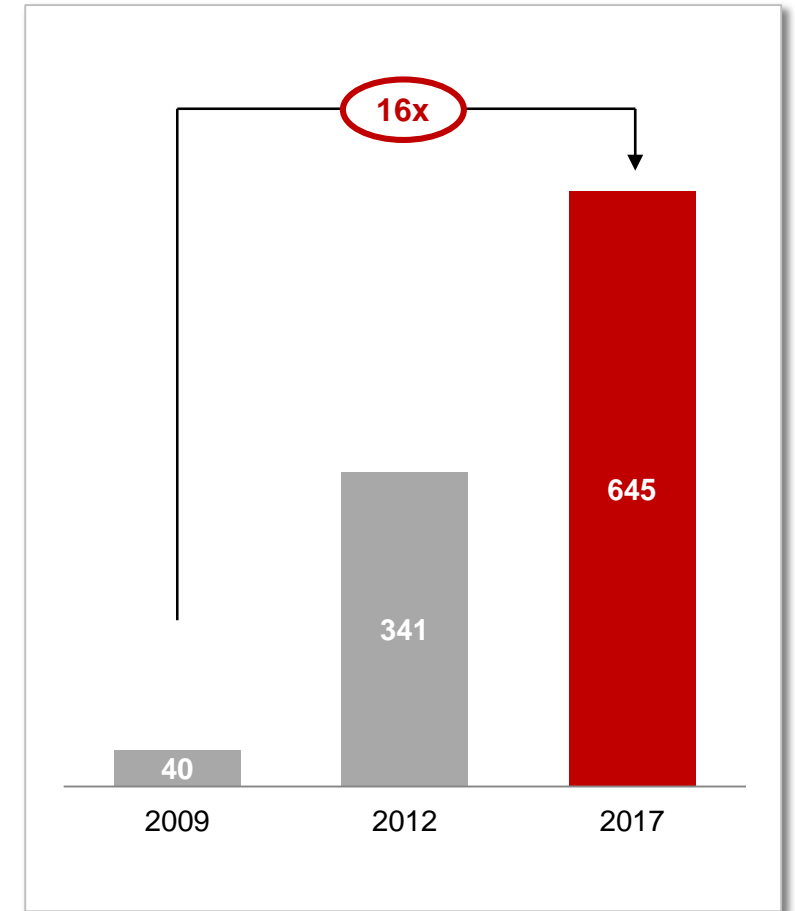
### EEV shareholders' equity (£m)<sup>1,2</sup>



### Return on Embedded Value<sup>3</sup>



### Cash remittance (£m)<sup>1</sup>



1. Actual exchange rate basis.

2. Long-term business only.

3. Based on 2017 EEV operating profit and opening shareholders' equity on an EEV basis.

# Translating strategy into value

## Summary

- ✦ Clear performance levers to drive value
- ✦ Resilient business model with compounding future value
- ✦ Balanced regional portfolio of high return businesses
- ✦ Strategic choices are aligned to structural trends and deliver sustainable value