Prudential plc
Strategic update
30 August 2023
2378.HK
PRU.L
Forward-looking statements

This presentation contains ‘forward-looking statements’ with respect to certain of Prudential’s (and its wholly and jointly owned businesses’) beliefs, goals and expectations relating to future financial condition, performance, results, strategy and objectives. Statements that are not historical facts, including statements about Prudential’s (and its wholly and jointly owned businesses’) beliefs, goals and expectations are forward-looking statements. These statements may include words such as ‘will’, ‘should’, ‘could’, ‘aim’, ‘estimates’, ‘projects’, ‘believes’, ‘intends’, ‘expects’, ‘plans’, ‘seeks’ and ‘anticipates’, and words of similar meaning, are forward-looking statements. These statements are based on plans, estimates and projections as at the time they are made, and therefore reliance should not be placed on them. By their nature, all forward-looking statements involve risk and uncertainty.

A number of important factors could cause actual future financial condition or performance or other indicated results to differ materially from those indicated in any forward-looking statement. Such factors include, but are not limited to:

• Current and future market conditions, including fluctuations in interest rates and exchange rates, inflation (including resulting interest rate changes), sustained or high or low interest rate environments, the performance of financial and credit markets generally and the impact of economic uncertainty, slowdown or contraction (including as a result of the Russia-Ukraine conflict and related or other geopolitical tensions and conflicts), which may also impact policyholder behaviour and reduce product affordability;

• Asset valuation impacts from the transition to a lower carbon economy;

• Derivative instruments not effectively mitigating any exposures;

• Global political uncertainties, including the potential for increased friction in cross-border trade and the exercise of laws, regulations and executive powers to restrict trade, financial transactions, capital movements and/or investment;

• The longer-term impacts of Covid-19, including macro-economic impacts on financial market volatility and global economic activity and impacts on sales, claims (including related to treatments deferred during the pandemic), assumptions and increased product lapses;

• The policies and actions of regulatory authorities, including, in particular, the policies and actions of the Hong Kong Insurance Authority, as Prudential’s Group-wide supervisor, as well as the degree and pace of regulatory changes and new government initiatives generally;

• The impact on Prudential of systemic risk and other group supervision policy standards adopted by the International Association of Insurance Supervisors, given Prudential’s designation as an Internationally Active Insurance Group;

• The physical, social, morbidity/health and financial impacts of climate change and global health crises, which may impact Prudential’s business, investments, operations and its duties owed to customers;

• Legal, policy and regulatory developments in response to climate change and broader sustainability-related issues, including the development of regulations and standards and interpretations such as those relating to ESG reporting, disclosures and product labelling and their interpretations (which may conflict and create misrepresentation risks);

• The collective ability of governments, policymakers, the Group, industry and other stakeholders to implement and adhere to commitments on mitigation of climate change and broader sustainability-related issues effectively (including not appropriately considering the interests of all Prudential’s stakeholders or failing to maintain high standards of corporate governance and responsible business practices);

• The impact of competition and fast-paced technological change;

• The effect on Prudential’s business and results from, in particular, mortality and morbidity trends, lapse rates and policy renewal rates;

• The timing, impact and other uncertainties of future acquisitions or combinations within relevant industries;

• The impact of internal transformation projects and other strategic actions failing to meet their objectives or adversely impacting the Group’s employees;

• The availability and effectiveness of reinsurance for Prudential’s businesses;

• The risk that Prudential’s operational resilience (or that of its suppliers and partners) may prove to be inadequate, including in relation to operational disruption due to external events;

• Disruption and operational capacity availability of Prudential’s information technology, digital systems and data (or those of its suppliers and partners) including the Pulse platform;

• The increased non-financial and financial risks and uncertainties associated with operating joint ventures with independent partners, particularly where joint ventures are not controlled by Prudential;

• The impact of changes in capital, solvency standards, accounting standards or relevant regulatory frameworks, and tax and other legislation and regulations in the jurisdictions in which Prudential and its affiliates operate; and

• The impact of legal and regulatory actions, investigations and disputes.

These factors are not exhaustive. Prudential operates in a continually changing business environment with new risks emerging from time to time that it may be unable to predict or that it currently does not expect to have a material adverse effect on its business. In addition, these and other important factors may, for example, result in changes to assumptions used for determining results of operations or re-estimations of reserves for future policy benefits. Further discussion of these and other important factors that could cause actual future financial condition or performance to differ, possibly materially, from those anticipated in Prudential’s forward-looking statements can be found under the ‘Risk Factors’ heading of Prudential’s News Release containing its Half Year 2023 Results, as well as under the ‘Risk Factors’ heading of Prudential’s 2022 Annual Report.

Prudential’s 2022 Annual Report is available on its website at www.prudential plc.com.

Any forward-looking statements contained in this presentation speak only as of the date on which they are made. Prudential expressly disclaims any obligation to update any of the forward-looking statements contained in this presentation or any other forward-looking statements it may make, whether as a result of future events, new information or otherwise except as required pursuant to the UK Prospectus Rules, the UK Listing Rules, the UK Disclosure Guidance and Transparency Rules, the Hong Kong Listing Rules, the SGX-ST Listing Rules or other applicable laws and regulations.

Prudential may also make or disclose written and/or oral forward-looking statements in reports filed with or furnished to the US Securities and Exchange Commission, the UK Financial Conduct Authority, the Hong Kong Stock Exchange and other regulatory authorities, as well as in its annual report and accounts to shareholders, periodic financial reports to shareholders, proxy statements, offering circulars, registration statements, prospectuses, prospectus supplements, press releases and other written materials and in oral statements made by directors, officers or employees of Prudential to third parties, including financial analysts. All such forward-looking statements are qualified in their entirety by reference to the factors discussed under the ‘Risk Factors’ heading of Prudential’s News Release containing its Half Year 2023 Results, as well as under the ‘Risk Factors’ heading of Prudential’s 2022 Annual Report.

Cautionary Statements

This presentation does not constitute or form part of any offer or invitation to purchase, acquire, subscribe for, sell, dispose of or issue, or any solicitation of any offer to purchase, acquire, subscribe for, sell or dispose of, any securities in any jurisdiction nor shall it (or any part of it) or the fact of its distribution, form the basis of, or be relied on in connection with, any contract therefor.
Accelerating value creation through operational and financial discipline

Building a sustainable growth platform: through investment in structural growth markets

Enhancing customer experiences: driving customer acquisition and loyalty

Technology-powered distribution: focused on Agency and Bank productivity and activation

Unlocking the Health opportunity: disciplined implementation of best practices at scale

More consistent execution: driven by changes in Organisational Model and Technology

Prioritising value creation: focused on generating free surplus and allocating capital for growth
Prudential is a great franchise...

**Broad footprint across Asia & Africa**
- 4 billion combined population
- c.$1 trillion growth opportunity in our markets next 10 years

**Trusted household brand**
- 18 million customers
- 175 years of history

**Leading positions in high growth life markets**
- Top 3 positions in 12 Asian life markets
- Top 3 positions in 4 African life markets

**Multi-channel distribution at scale**
- >120k active agents
- #1 independent insurer in Asia bancassurance

**Expertise in Asian investments**
- Top 10 positions in 6 markets
- $228 billion assets under management

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1. Source: Swiss Re forecast (July 2023).
2. Please refer to the footnotes on slide 14.
3. As of FY2022 and represents the number of agents who have at least sold one new policy during the year.
4. Among the Asian markets where Prudential has presence.
…and benefits from a large existing in-force book of business

Over the last 10 years, new business contributed c.$27bn to our embedded value\(^1\)

Over the next 5 years, our in-force will monetise into c.$11bn of free surplus to support future growth and returns\(^2\)

Cohorts of new business written in 2023 and beyond will further add to free surplus generation

1. Embedded value for life and asset management, excluding central assets ($bn).
2. Expected transfer of VIF and required capital on an undiscounted basis, based on the economic and other assumptions that underpinned our FY2022 EEV reporting.
Prudential has not yet realised its full potential...

- Speed of response to changing dynamics led to market share loss in key markets
- Demerger processes distracted from building core capabilities
- Customer experiences not sufficiently differentiated leading to mid-tier NPS
- Investment in technology not strongly correlated to commercial outcomes
- Federated organisation model not replicating successes at scale and pace
...and a new organisational model will be critical to delivery

Design principles to replicate successes at pace and scale

- Designed to have **customer** at the heart
- Local market **responsiveness** and **empowerment**
- **Centers of excellence** and **shared services** to support markets
- **Standardisation** to drive consistency and economies of scale
- Collaboration with clearly defined **accountabilities**

Core capability build

- Technology & Data
- **Customer**
- Distribution
- Health
Organisational model replicating successes at pace and scale

<table>
<thead>
<tr>
<th>Multi-market growth engines</th>
<th>Greater China</th>
<th>ASEAN</th>
<th>India</th>
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<tbody>
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<td>Strategic pillars</td>
<td>Enhancing Customer Experiences</td>
<td>Technology-powered Distribution</td>
<td>Transforming Health business model</td>
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<td>Engaged People &amp; High-Performance Culture</td>
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<td>Value creation for all stakeholders</td>
<td>Customers</td>
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<td>Communities</td>
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</table>
...to accelerate value creation

Managing in-force with greater discipline
- Expense variance
- Claims variance
- Persistency

Allocating capital for growth
1. Resilient capital position
2. Profitable new business
3. Investment in capabilities
4. Ordinary dividend
5. Strategic M&A
6. Return of surplus capital

Writing quality new business
- Managing capital strain
- Attractive returns
- Short payback periods

1. Gross OFSG is the operating free surplus generated from in-force insurance business which represents amounts emerging from the in-force business during the year before deducting amounts reinvested in writing new business and excludes non-operating items. For asset management businesses, it equates to post-tax operating profit for the year.
2. Assumes average exchange rates of 2022 and economic assumptions made by Prudential in calculating the EEV basis supplementary information for the year ended 31 December 2022, and are based on regulatory and solvency regimes applicable across the Group at the time the objectives were set. Assume that the existing EEV and Free Surplus methodology at December 2022 will be applicable over the period.

Double-digit gross OFSG CAGR 2022-27
15-20% NBP CAGR 2022-27
### Purpose

For Every Life, For Every Future

**Organisational model** replicating successes at pace and scale

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"Our mission is to be the most trusted partner and protector for this generation and generations to come, by providing simple and accessible financial and health solutions."
## Multi-market growth engines

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### Multi-market growth engines

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### Value creation for all stakeholders

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We will leverage our leadership positions and scale...

**Greater China**
Sustaining quality growth

- Access to **>80%** of China GDP
- **#1** position in Hong Kong MCV & Agency
- Presence in all 11 cities in GBA

**ASEAN**
Leveraging leading platform

- Access to **600m+** population
- **Largest multi-channel** distribution franchise

**India**
Growing our franchises

- **1bn+** population without insurance cover
- Major health and asset mgmt. opportunity

**Africa**
Matching footprint to value opportunity

- **400m+** population with similar needs
- **High growth** markets

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1. As reported at full year 2022 unless specified. Sources include formal (e.g. competitors results release, local regulators and insurance association) and informal (industry exchange) market share. Ranking based on new business (APE sales, weighted full year premium or full year premium depending on availability of data) or total weighted revenue premiums, except for Hong Kong based on in-force premiums.
2. #2 by in-force premiums as of FY22. #1 in Mainland Chinese Visitor (MCV) segment & Agency by APE as of 1QFY23.
3. Greater Bay Area.
5. Includes Takaful.
7. Ranking among private players.
8. Ranking among private players, for ICICI Prudential Life Insurance Co.
9. ICICI Prudential Asset Management Co.
10. Among the 8 African markets where Prudential has presence.
Prudential has a c.$1 trillion growth opportunity, with our markets growing twice as fast as rest of the world.

**Low Levels of Insurance Cover**

- **UK**: 8.1%
- **India**: 3.0%
- **ASEAN**: 2.6%
- **Greater China**: 2.5%

**Significant Need for Protection**

- **Asia**: 43%
- **US**: 11%

Out of pocket health expenditure²

**Rising Wealth**

- **> $150 tn**: household wealth in Asia in 2021³
- **3 out of 4**: global working age population will be in Asia & Africa by 2030⁴

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2. World Health Organisation: Global Health Observatory data repository (2018). Out of pocket as % of Total Health Expenditure. Asia calculated as the average of the out-of-pocket percentages.
3. Credit Suisse Global Wealth Report 2022, including Asia Pacific (ex-Japan), China, India and Africa.
5. Source: Swiss Re forecast (July 2023).
**Strategic pillars**

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**For Every Life, For Every Future**

**Organisational model** replicating successes at pace and scale
Enhancing Customer Experiences
Focused on driving acquisition and loyalty

Priorities

Segmentation by life stages

Differentiated propositions

Advocacy for lifetime value

Simple, connected tech-enabled journeys

Acquisition by personalised targeting

Select example of success to be replicated:
In Hong Kong, personalised solutions in Golden Age segment, have driven c. 75% growth in new-to-Prudential customers in 1H2023

2027 Success Metrics

Customer NPS (2022: Mostly mid-quartile)  
Top-quartile

Customer Retention (2022: 89%)  
90 - 95%
## Technology-powered Distribution
**Focused on Agency and Bank productivity and activation**

<table>
<thead>
<tr>
<th>Priorities</th>
<th>Agency: focusing on productivity and activation</th>
<th>Bancassurance: deepening penetration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professionalising leaders to be ‘team builders’</td>
<td><strong>Tech-led business generation</strong></td>
<td><strong>Broaden customer proposition</strong></td>
</tr>
<tr>
<td>Strategic talent sourcing</td>
<td><strong>Learning &amp; development</strong></td>
<td><strong>Omni-channel customer journeys</strong></td>
</tr>
<tr>
<td>Career focused advisors</td>
<td><strong>Reward value &amp; customer outcomes</strong></td>
<td><strong>Integrated data-led marketing</strong></td>
</tr>
</tbody>
</table>

### Select examples of success to be replicated:

- **Agency:** Agents using PruLeads tool have **c. 30% uplift in productivity**
- **Bancassurance:** In Malaysia a 2%-pts increase in penetration led to **1.6x increase in NBP** over 4 years
# Technology-powered Distribution

## Doubling value creation

<table>
<thead>
<tr>
<th>Agency</th>
<th># of Active Agents per Month</th>
<th>~65k</th>
<th>~80 - 90k</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Monthly NBP per Active Agent</td>
<td>~$1.5k</td>
<td>~$3k - $3.5k</td>
</tr>
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<table>
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<tr>
<th>Banca</th>
<th>Penetration in Bank Customer Base(^1)</th>
<th>~8%</th>
<th>~9 - 11%</th>
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<tbody>
<tr>
<td></td>
<td>Contribution of H&amp;P(^2)</td>
<td>6%</td>
<td>10%</td>
</tr>
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</table>

1. Among strategic partners (excluding JV partners).
2. By APE.
Transforming our Health Business Model
Disciplined implementation of best practices at scale

Priorities

Upgrade Health Insurance Proposition
- Advanced products & value-added services
- Technical excellence
- Health-ready distribution
- Clinical preferred partner management
- Guided care pathways
- Powered by tech, data, and analytics

Enable Connected Care through Asset-light Approach
- Digital integration to adjacent care journeys
  - Before: predict and prevent
  - During: diagnose and treat
  - Post/chronic: recover and manage

2027 Success Metrics

Health Insurance Customer NPS\(^1\)
(2022: n.a.)

Top-quartile

Health Insurance NBP
(2022: ~$300m)

>2x NBP

Select example of success to be replicated:

Singapore’s market-leading Integrated Shield plan has maintained underwriting profits since 2018 despite c.10% p.a. medical inflation

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1. Data to be collected from 2024.
For Every Life, For Every Future

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<td>Greater China, ASEAN, India, Africa</td>
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**Strategic pillars**

- Enhancing Customer Experiences
- Technology-powered Distribution
- Transforming Health business model

**Group-wide enablers**

- Open-Architecture Technology Platform
- Engaged People & High-Performance Culture
- Wealth & Investment Capabilities

**Value creation for all stakeholders**

- Customers
- Employees
- Shareholders
- Communities
Open-Architecture Technology Platform
Critical to delivery of customer, distribution and health strategies

Priorities

- Personalised customer and agent journeys
- Customer service via Pulse
- AI & data analytics
- Open-architecture platforms
- Centers of excellence
- Operating model

2027 Success Metrics
(aligned to 3 strategic pillars)

- Customer NPS
  (2022: Mostly mid-quartile)
  Top-quartile

- Number of Active Agents per Month
  (2022: ~65K)
  ~80 - 90k

- Health Insurance Customer NPS
  (2022: n.a.)
  Top-quartile

Select example of success to be replicated:
Malaysia call center trial shows product enquiry times reduced from 4 minutes to <30 seconds using generative AI
Engaged People & High-Performance Culture
Investing in talent to power growth

Priorities

People & Culture

- Strategic capability build
- Values-based leadership
- Robust talent pipeline & mobility
- Aligned reward structures

Organisational Model

- Economies of skill via centers of excellence
- Economies of scale via shared services
- Collaboration and dual-reporting

2027 Success Metric

Top-quartile employee engagement

1. As measured by annual group-wide employee survey relative to same question answered by other companies.
Enhanced Wealth & Investments Capabilities
Retention of economics and ability to customise solutions

Asset owner: Group Chief Investment Office
Asset manager: Eastspring Asset Management

Priorities
- Distribution support
- Product innovation
- High performance investment teams

2027 Success Metrics
- Investment performance vs. relevant benchmarks
- Net Zero by 2050 & 55% reduction in WACI\(^1\) by 2030

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1. Weighted average carbon intensity.
Value creation for all stakeholders

For Every Life, For Every Future

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Value creation for all stakeholders

- Customers
- Employees
- Shareholders
- Communities
Building a sustainable growth platform

Enhancing customer experiences

Technology-powered distribution

Unlocking the Health opportunity

More consistent execution

Prioritising value creation

Value creation for all stakeholders

**Customers:**
Top-quartile net promoter score

**Employees:**
Top-quartile engagement\(^1\)

**Shareholders:**
15-20% NBP CAGR 2022-27\(^2\)
Double-digit gross OFSG CAGR 2022-27\(^2,3\)

**Communities:**
Net Zero by 2050
55% reduction in Weighted Average Carbon Intensity\(^4\)

---

1. As measured by annual group-wide employee survey relative to same question answered by other companies.
2. Assumes average exchange rates of 2022 and economic assumptions made by Prudential in calculating the EEV basis supplementary information for the year ended 31 December 2022, and are based on regulatory and solvency regimes applicable across the Group at the time the objectives were set. Assume that the existing EEV and Free Surplus methodology at December 2022 will be applicable over the period.
3. Gross OFSG is the operating free surplus generated from in-force insurance business which represents amounts emerging from the in-force business during the year before deducting amounts reinvested in writing new business and excludes non-operating items. For asset management businesses, it equates to post-tax operating profit for the year.
4. By 2030.
Lilian Ng
SBG Managing Director including Customer and Distribution
## Understanding customer needs

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Policies issued are health &amp; protection plans</td>
<td>&gt;50%</td>
</tr>
<tr>
<td>New customers are Affluent and Advanced Affluent</td>
<td>&gt;30%</td>
</tr>
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</table>

## Customer delivery

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policies are auto-underwritten</td>
<td>79%</td>
</tr>
<tr>
<td>Claims are auto-adjudicated</td>
<td>31%</td>
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## Customer advocacy

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Customer retention</td>
<td>89%</td>
</tr>
<tr>
<td>of APE from repeat customers</td>
<td>46%</td>
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</tbody>
</table>

## Focused customer segmentation

- Inclusive & accessible offerings
- Innovative product solutions

## Frictionless & automated customer journeys

- $2.8bn Claims paid

## Keeping our claims promises

- Keeping our claims promises

## Customers’ assets managed

- $228bn of AUM

### Note:
- All numbers relate to the year ended 31 December 2022 unless stated otherwise.
- 1. As at 30 June 2023.
- 2. Claims (Mortality & Morbidity) paid gross of reinsurance ex India.
Enhancing Customer Experiences
Becoming customer advocacy leader with an execution focus

Ambition
To become our customers’ trusted partner by enriching their life, health and wealth journey

Priorities
Segmentation by life stages
Advocacy for lifetime value
Differentiated propositions
Simple, connected tech-enabled journeys

Success metrics
Top Quartile NPS
2022: Mostly mid-quartile

90 - 95% Retention
2022: 89%

Replicating evidence-based success:
In Indonesia, personalised engagement on social media resulted in 3% uplift in customer retention
Enhancing Customer Experiences
Outward-looking customer centric delivery

Addressing customers’ lifetime needs

**Advanced Affluent +**
Comprehensive wealth advisory & management

**Golden Age**
Peace of mind via stable and predictable benefits

**Family**
Financial security, health & protection for entire family

**Young**
Easy to understand health and wellness solutions

Offering holistic solutions and financial advice

**Replicating evidence-based success:**
In the Philippines, inclusive solutions for the Family, have driven **44% growth in New Business Profit from this segment** in H1 2023
Technology-powered Distribution
Leading multi-channel distribution franchise at scale

Uniquely privileged position
Multi-Distribution Agency and Bancassurance platform at Scale

Diversification, resilience & balance across our dual engines is key strength

First-mover in agency & banca: Built longstanding market positions, scale, capabilities & partnerships

Core Strengths in Agency

• **Top 3** agency franchise in 8 markets in Asia
• >120k active agents¹
  ~7k qualified MDRTs
• Serving **10 million** customers

Breadth of Strategic Partnerships

• #1 independent (non-bank owned) insurer in Asia banca
• Access to 200m+ customers across our more than 200 bank partners, of which **10** are strategic
• Banca NBP margin improved to **40%** in 2022 from 26% in 2017

---

1. Agents who have sold at least one policy during FY 2022
Technology-powered Distribution
Building a high-performance agency force

Ambition
Holistic integrated platform to grow a purpose-driven agency force to become a trusted advisor to customer

Priorities
- Professionalising leaders to be ‘team-builders’
- Strategic talent Sourcing
- Career focused advisors
- Tech-led business generation
- Learning & development

Success Metrics
- 80 - 90k # of Active Agents per Month
- 2.5 - 3x Agency NBP

Replicating evidence-based success:
Agents that are technology-powered via PruForce, have c.30% uplift in productivity
Technology-powered Distribution

technology-powered solution for future-ready agents

Agent Segment
- Critical Mass
- Career Agents
- Elite Agents

Agent Journey
- Recruitment
- Learning & Development
- Performance Management
- Sales Fulfilment

Platform
- PRU dnaq
  - AI scoring
  - Virtual interviews
  - Intelligent assessment
- PRU Expert
  - On demand
  - Live streaming
  - Dynamic content
- PRU Leads
  - Leads profiling & allocation
  - Real time tracking
  - On the go feedback
- PRU ONE
  - Flexible & interactive
  - Instant illustrations
  - Online approval

Delivery
- 11,000+ Recruits p.m.
- 1.2m Man hours of e-learning
- 1.3x Productive for agents using PRULEads
- ~120k PRUForce MAU

1. As of H1 2023; 2. For the FY 2022
Technology-powered Distribution
Deploying next-gen agency capabilities

Professionalising Leaders
- Signature learning program
- Upgrading to “team builder”
- Intensive training for 12 weeks

6,000 leaders trained
Leading 47% of active agents

Strategic Sourcing
- Accelerated talent program
- Success assurances through financing, coaching, learning
- Intensive training for 12-18 months

9,800 PRU Venture Recruits
4-9x more productive

Career Focused Agents
- Differentiated career trajectories, learning & development
- Mentor to mentee programmes
- Behavioural Compensation
Technology-powered Distribution
Transforming bancassurance to deepen customer penetration

Ambition

Strategic insurance partner of choice via an integrated platform to optimize value for both partners and customers

Priorities

Broaden customer proposition
Operating cadence
Reward value & customer outcomes
Learning & development
Omni-channel customer journeys
Integrated data-led marketing

2027 Success Metrics

9% - 11% Penetration in Bank Customer Base

1.5x - 2x Banca NBP

Replicating evidence-based success:

In Hong Kong, rewarding customer outcomes for increasing protection sales led to 16pts increase in NBP Margin over 5 years

1. Among strategic partners (excluding JV partners)
Customer and Distribution
Doubling value creation

**Customer**

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Middle Quartile</th>
<th>Top Quartile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer NPS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Retention</td>
<td>~89%</td>
<td>~90% - 95%</td>
</tr>
</tbody>
</table>

**Agency**

<table>
<thead>
<tr>
<th>Parameter</th>
<th>2022</th>
<th>2027</th>
</tr>
</thead>
<tbody>
<tr>
<td># of Active Agents per Month</td>
<td>~65k</td>
<td>~80 - 90k</td>
</tr>
<tr>
<td>Monthly NBP per Active Agent</td>
<td>~$1.5k</td>
<td>~$3k - $3.5k</td>
</tr>
</tbody>
</table>

**Banca**

<table>
<thead>
<tr>
<th>Parameter</th>
<th>2022</th>
<th>2027</th>
</tr>
</thead>
<tbody>
<tr>
<td>Penetration in Bank Customer Base</td>
<td>~8%</td>
<td>~9 - 11%</td>
</tr>
<tr>
<td>Contribution of H&amp;P</td>
<td>6%</td>
<td>10%</td>
</tr>
</tbody>
</table>

1. Among strategic partners (excluding JV partners).
2. By APE.
Solmaz Altin
SBG Managing Director including Health & Technology
Transforming our Health Business Model
Well-positioned to capture growing opportunity in the health care system

Prudential Footprint Today

- >US$2bn Earned Premium from Medical Reimbursement (market size ~US$19bn)
- ~5m Individual Medical Reimbursement customers
- >90% Earned Premium from our top 4 markets

Opportunity

- Rapid market growth ~8% p.a. healthcare spend per capita
- Reliant on private providers >30% Hospital beds in private sector
- Under-insured ~40% Out-of-pocket healthcare spend
- Escalating costs ~10% p.a. private medical inflation

Source: Bain analysis

1. As of FY21. Earned Premium figures exclude Africa business units. Includes SEA and Hong Kong.
2. Average across emerging APAC markets (includes China, India, Indonesia, Philippines, Vietnam, Malaysia, Thailand)
Transforming our Health Business Model
Pivoting from a ‘Payor’ to ‘Trusted Partner’

Focused Health operating model
Local execution with regional support for growth

Priorities

1. Upgrade Health Insurance Proposition

2. Enable Connected Care through Asset-light Approach
Transforming our Health Business Model
1. Upgrade Health Insurance Proposition

Focused Health operating model
Local execution with regional support for growth

Priorities

Upgrade Health Insurance Proposition

1. Advanced products & value-added services
2. Technical excellence
3. Health-ready distribution
4. Clinical preferred partner management
5. Guided care pathways
6. Tech, data and analytics
Transforming our Health Business Model
1. Upgrade Health Insurance Proposition

Case study: Prudential Singapore
Successful panel hospital steering and management increases profitability

Integrated Shield Plan underwriting margin

<table>
<thead>
<tr>
<th>Top 3 players</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peer 1</td>
<td>(72%)¹</td>
<td>(4%)</td>
<td>(3%)</td>
<td>(112%)¹</td>
<td>1%</td>
<td>5%</td>
</tr>
<tr>
<td>Peer 2</td>
<td>(13%)</td>
<td>(8%)</td>
<td>(14%)</td>
<td>5%</td>
<td>10%</td>
<td>5%</td>
</tr>
<tr>
<td>Prudential</td>
<td>(5%)</td>
<td>11%</td>
<td>11%</td>
<td>13%</td>
<td>12%</td>
<td>9%</td>
</tr>
</tbody>
</table>

First insurer to launch claims-based pricing

Focused initiatives to maintain underwriting margins
1. Yearly re-pricing
2. Co-ordination: pursued Group insurance claims
3. First hospital panel: PRUPanel Connect
4. Soft guidance: Care pathways, web appointment booking

2022 Indicators

Panel utilisation: Increasing trend
Panel medical inflation: Slower growth than market (9-10%)

¹ Large underwriting loss due to high value of reinsurance ceded.
Source: MAS A5; PruShield claims data; Prudential analysis.
Transforming our Health Business Model
2. Enable Connected Care through asset light approach

**Focused Health operating model**
Local execution with regional support for growth

**Priorities**

1. Enable Connected Care through Asset-light Approach

2. Digitally integrated to adjacent health care journeys

**Before illness**
- Predict and prevent
  - Health screening centres
  - Wellness centres
  - Predictive health-tech providers

**When person is ill**
- Diagnose and treat
  - Local hospital and clinics
  - Tele-medicine
  - Third-party administrators

**Managing/post illness**
- Recover and manage
  - Rehabilitation centres
  - Polyclinics
  - Mobile health services
Transforming our Health Business Model
Disciplined implementation of best practices at scale

Ambition
To become the most trusted health partner across Asia & Africa

Focused Health operating model
Local execution with regional support for growth

Priorities
1. Upgrade Health Insurance Proposition
2. Enable Connected Care through Asset-light Approach

2027 success metrics
Top-quartile NPS
2022: n.a.

>2x NBP
2022: ~$300m

1. Data to be collected from 2024.