



Prudential Seizing the Opportunity



PRUDENTIAL
英國保誠集團

機會

Peluang
機會

oportunidad



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Seizing
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Our Distribution Strengths

Mark Norbom
Prudential Corporation Asia
November 2004

Delivering profitable and sustainable growth

**Accelerating
profitability**

**Leveraging regional scale,
expertise and innovation**

**Building
sustainability**

**Creating a lasting
foundation**

**Continued
strong growth**

**Driving proven success
models to all markets**

- Integrated operating model
- Leadership development
- Risk management
- Brand strength
- Business building expertise
- Multi-channel distribution
- Product innovation
- Customer centricity

Strong top-line growth - even faster bottom-line growth



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Prudential's Agency Model Overview

Dan Bardin
Prudential Corporation Asia
November 2004



Importance of agency

Agency is Asia's largest distribution channel



Customer preference for face to face

Importance of relationships in sales process



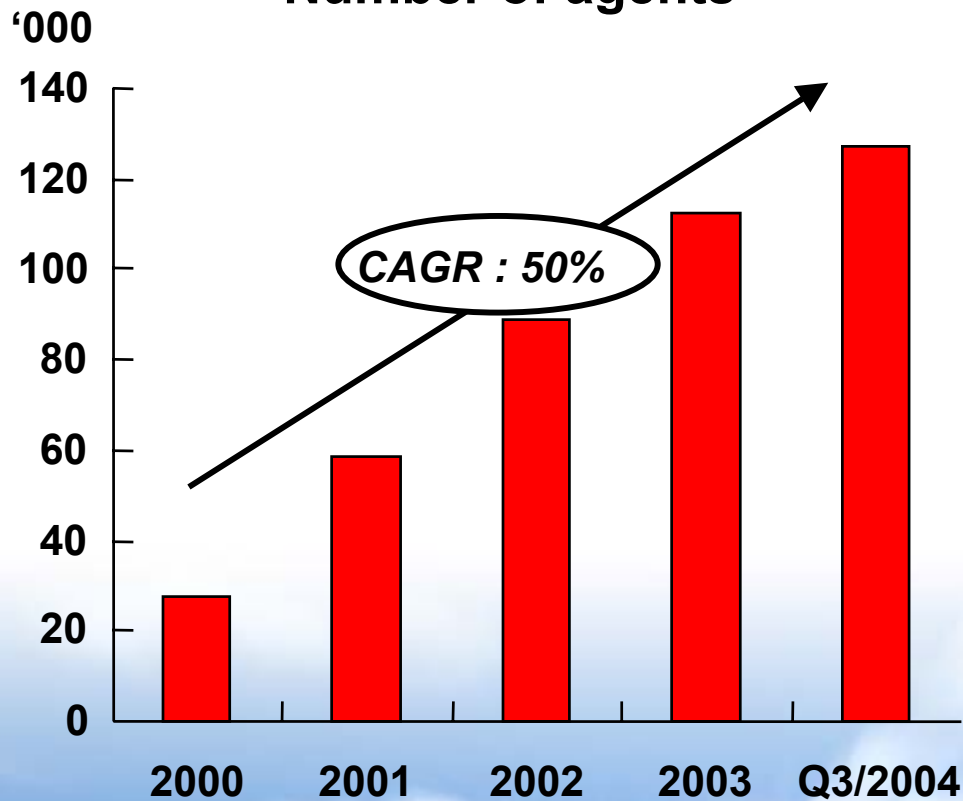
Channel ownership



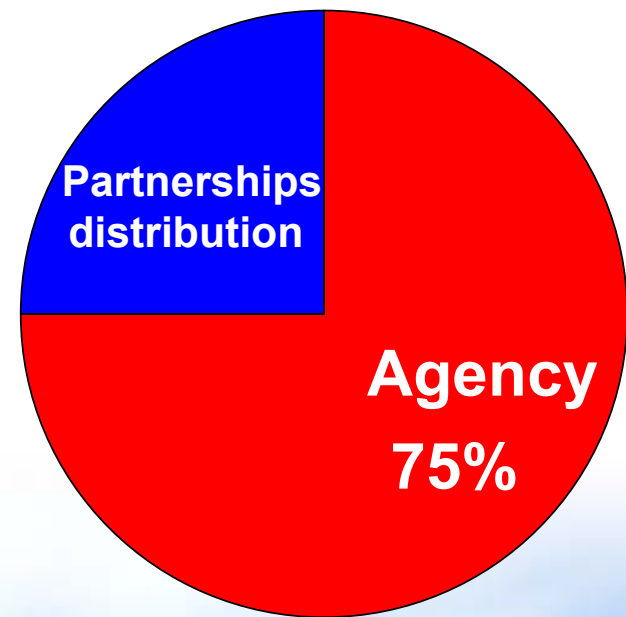
Importance for Prudential

A force of over 127,000 agents providing 75% of our sales

Number of agents



Share of APE (Q3 2004)





Challenges and strengths

As we have grown so have the challenges

Challenges

- Growth of large-scale base
- Geographical diversity
- Managing scale
- Compliance

Strengths

- Significant management experience
- Robust, proven model
- Tailored across markets
- Productivity potential
- Comprehensive regional and local compliance structure



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Prudential's Agency Model

Kevin Holmgren and Edward Navarro
Prudential Corporation Asia
November 2004



Introduction

- **Strong agency growth across all our markets**
- **Success driven by robust and proven model**
 - Clear framework
 - Focused on the drivers of the channel
- **No one size fits all strategy**
 - Tailored by stage of agency development
 - Tailored by market



Our agency model

Our model is focused on the channel's key drivers

Growth

Productivity

Retention

Recruiting

Training

Activity

Incentives

Agency infrastructure (tools and systems)

KPIs

KPIs

KPIs

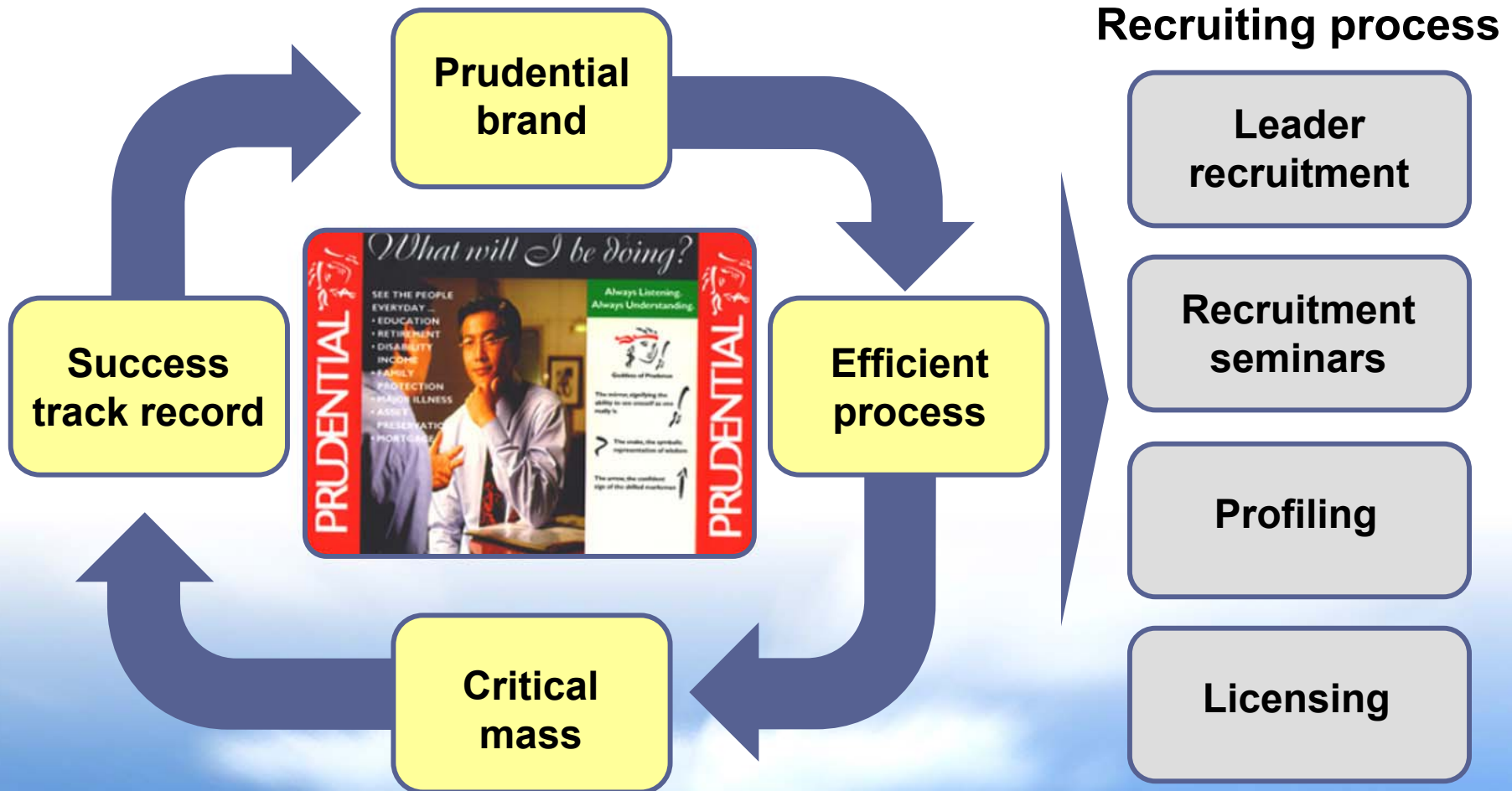
Channel
management
and compliance

- **Agent leaders : 11,375**
- **Country agency management : 1,448**
- **Regional head office : 4**



Agency recruitment

A sound platform to keep driving new flows of recruits





Agency training and activity

Specialist trainers and on-going training support

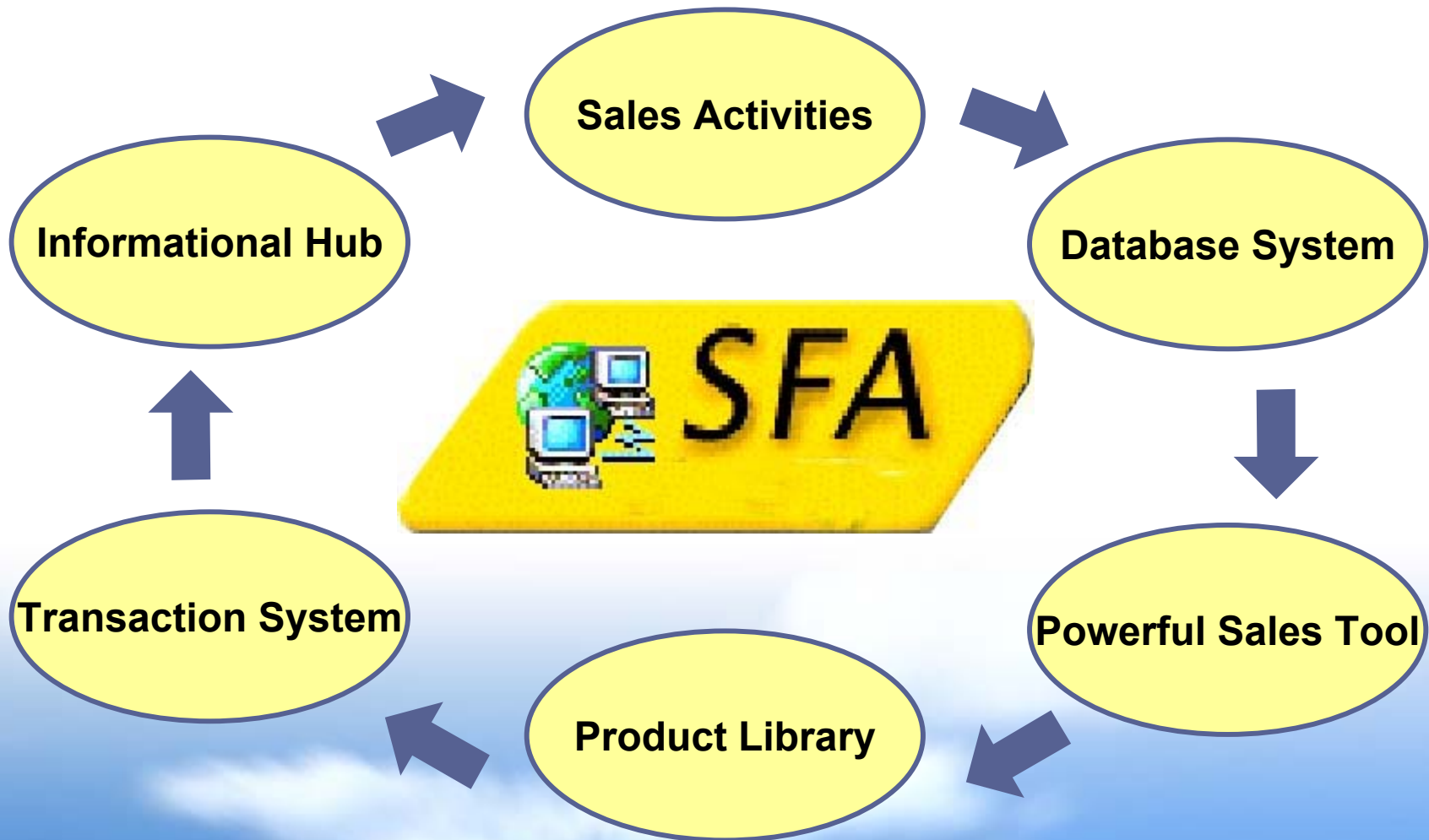


- **Dedicated training in all countries**
- **323 trainers around the region**
- **Over 470,000 hours spent on training per month in 2004**
- **Managers / leaders provide on the job training support**
- **Focus on**
 - Licensing agents to start selling
 - Broadening product portfolio to drive higher productivity rates



Sales infrastructure

New infrastructure to support productivity growth



Agency retention

A structure that builds long-term loyalty to Prudential



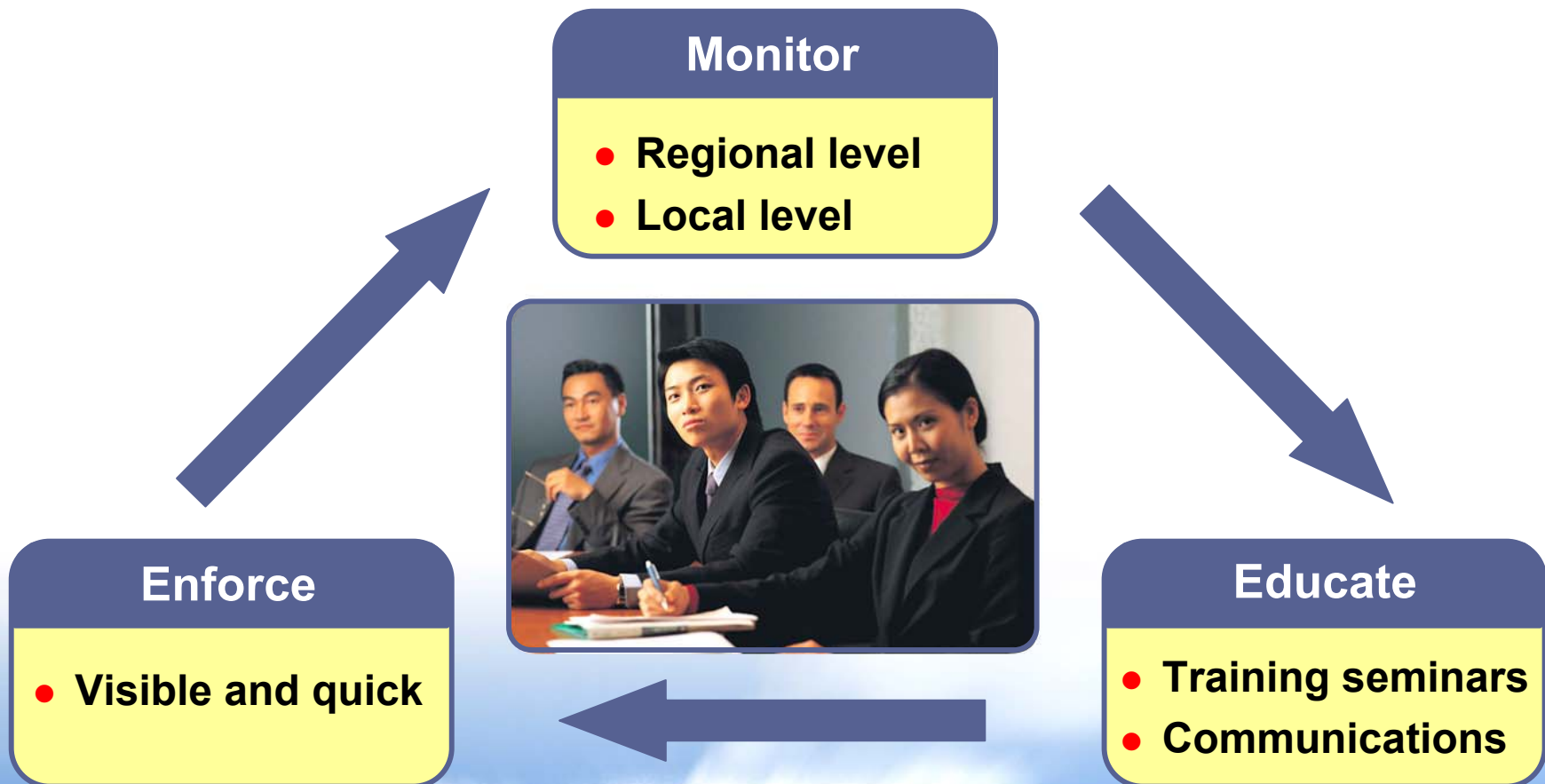
Supported by Prudential brand

- **Training and support**
 - Sales tools
 - On-going training and development programmes
- **Career development structure**
 - Promotion opportunities
- **Agency recognition**
 - Star Club, President's Club, annual awards



Sales compliance


A comprehensive compliance infrastructure across the Region





Agency models

No standard model applied to each market



Traditional tied agency

- Part time and full time agent mix
- Simple product portfolio
- Simple, commission based compensation

General agency

- Greater emphasis on variable cost base
- Supports quick geographical expansion

Segmented agency

- Segmented commission and support
- Mix of product and sales capabilities
- Focus on productivity growth

Financial advisors

- Full time agents
- Needs based selling
- Sophisticated product portfolio
- Less hierarchical structure

Variety of models

Selection and tailoring to the unique demands of each country

Vietnam, India, China

**Traditional
agency model**

Japan, Korea

**Professional financial
advisors**

**Hong Kong, Singapore,
Malaysia, Taiwan**

**Segmented
agency model**

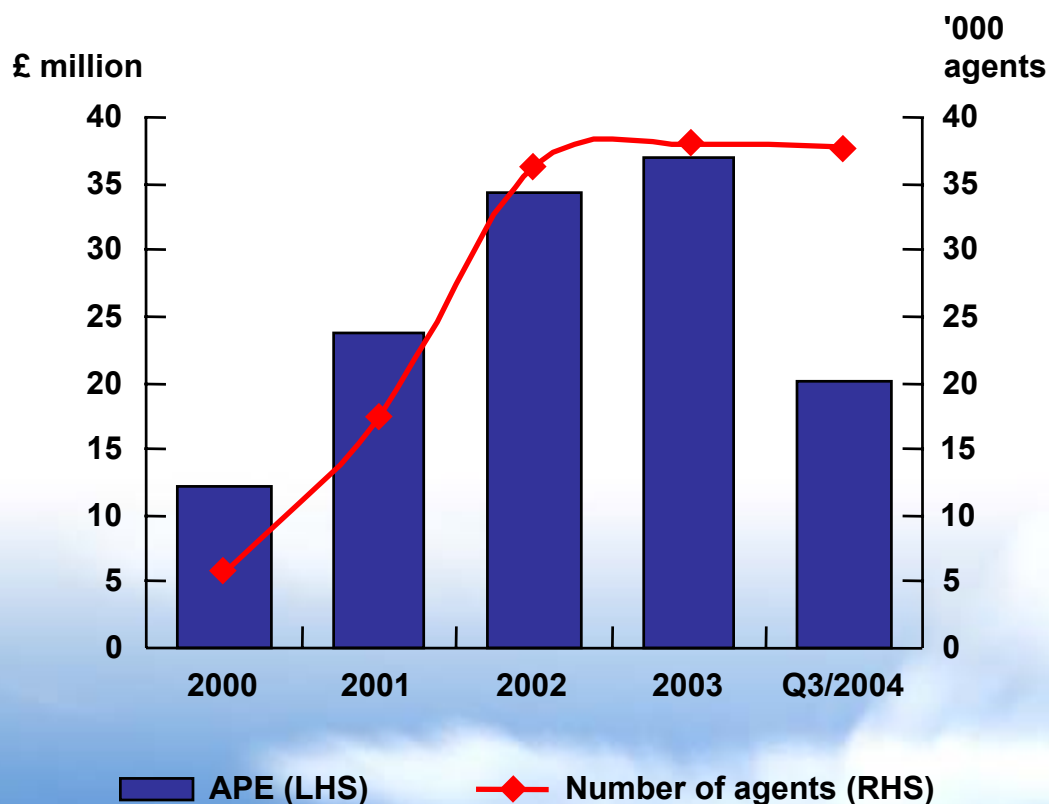
**Indonesia, Thailand,
Philippines**

**General
agency model**

Case study : Building scale in new markets

Focus on rapid agency growth in Vietnam

Agent numbers versus APE



Constant exchange rates

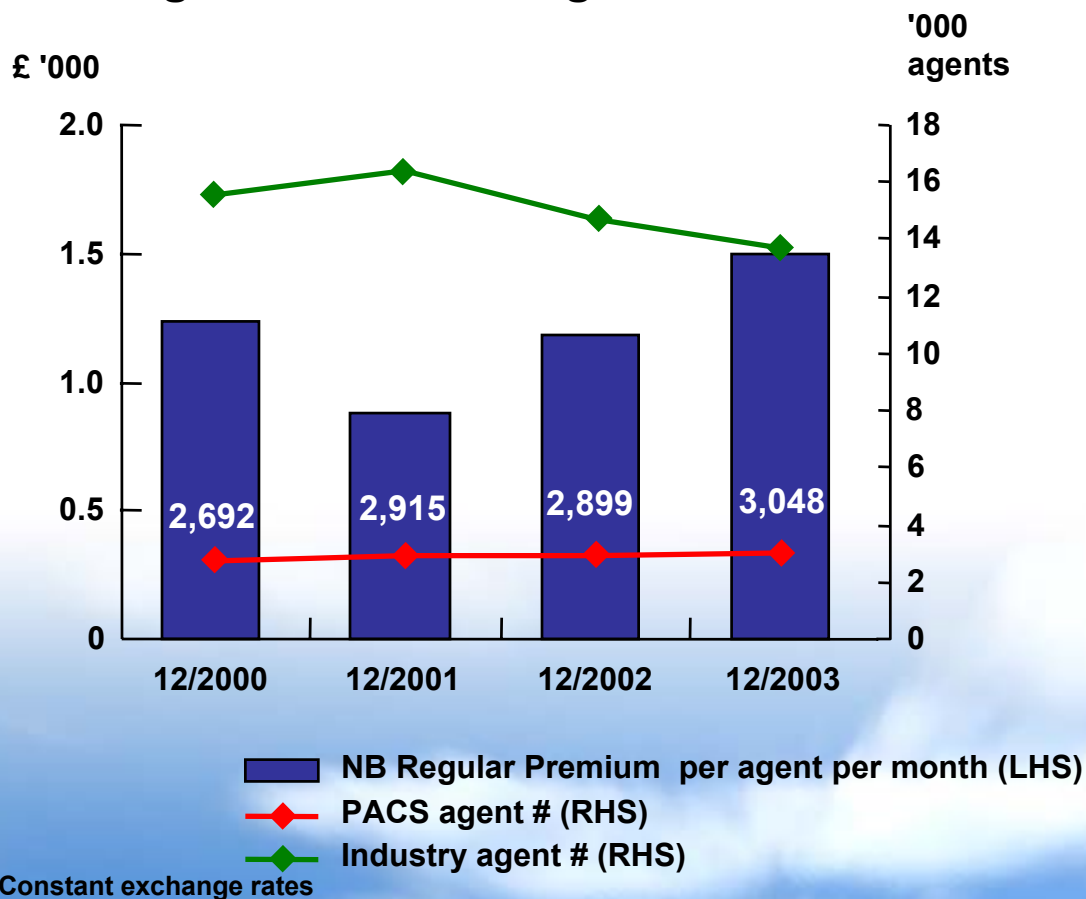
Example : Vietnam

- Initial focus on major metro areas
- Expanding into provinces
- Innovative use of *general agency* concept
- Leveraging Prudential agency expertise to build rapid scale
- Focus on driving total headcount
- No 1 share of total agents drives our No 1 share of sales

Case study : Building productivity in established markets

Focus on productivity growth in Singapore

Agents numbers versus Regular Premium / agent / month



Example : Singapore

- Strong brand recognition
- Leveraging Prudential expertise to improve agency professionalism
- Focus on driving improved agency productivity
- Strong agent productivity drives our strong share of sales



Summary

- **Robust, proven framework**
- **Sophisticated infrastructure and training support**
- **Tailored models to support different stages of country development**
- **Success breeds continued scale growth**
- **Productivity enhancements through training, segmentation and sales infrastructure**



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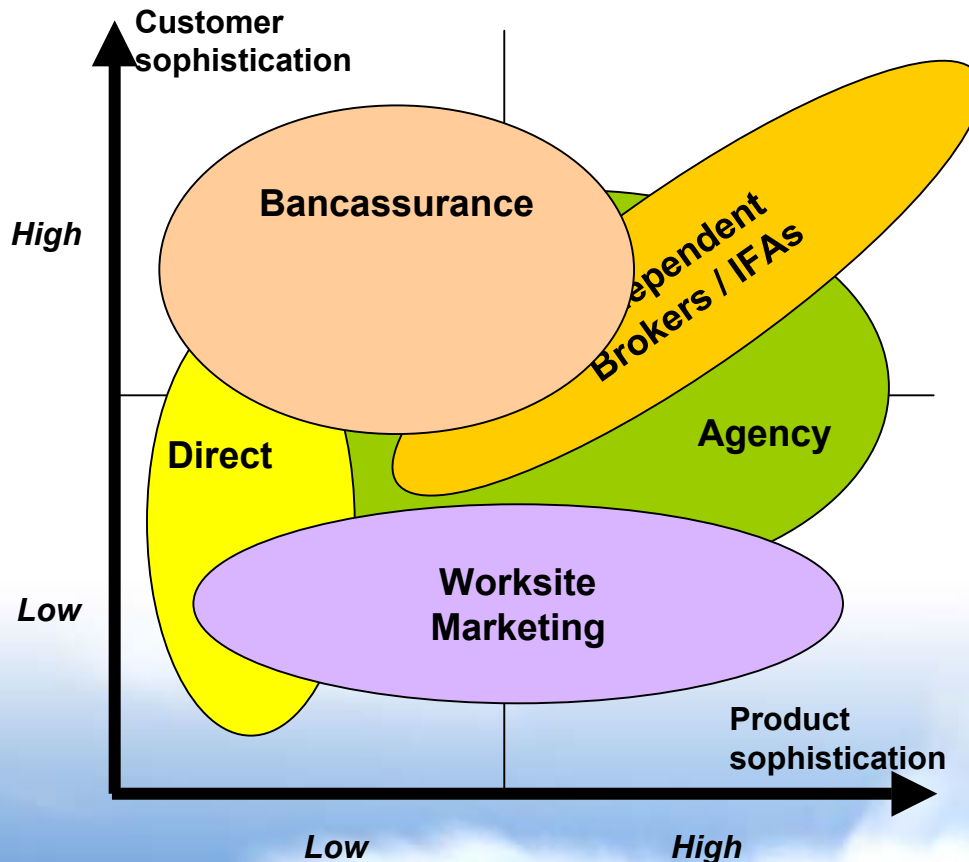
Partnerships Distribution

Pierre Fenech
Prudential Corporation Asia
November 2004



“By 2006, bancassurance could potentially account for 13% of total premiums collected in Asia’s life insurance sector.”

Swiss Re Sigma No7/2002



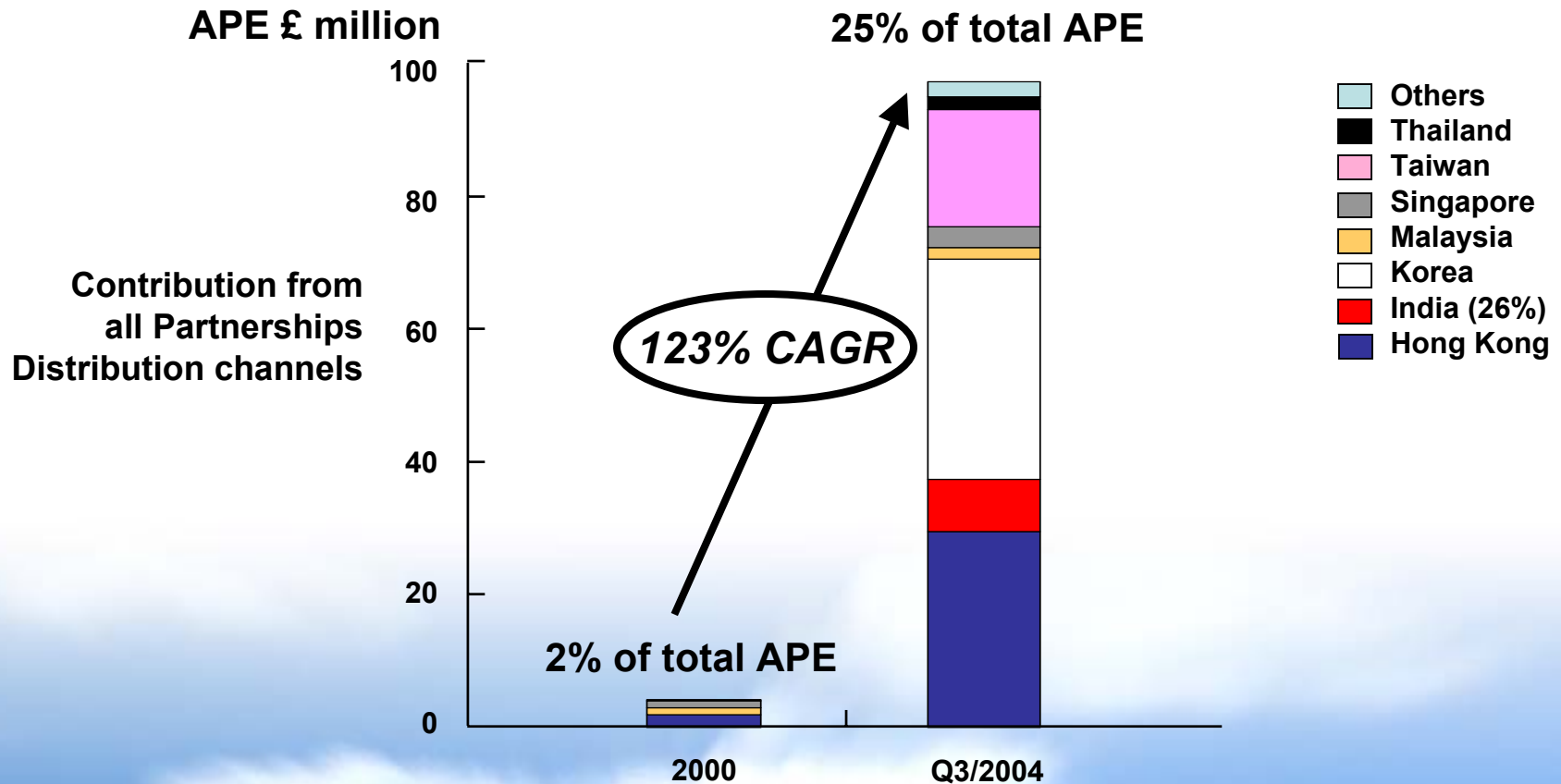
Growth Opportunities

- Access more customers
- Penetrate new segments
- Expand existing relationships
- Establish new relationships
- Roll out to all markets
- Develop new sub-channels



New business contribution mix

Continued growth and geographical diversification





Success formula



- **Committed to multi-channel distribution**
- **Focus on quality long-term partners**
- **Track record of successful implementation**
- **Proven operational models**
- **Quality of people and management**
- **Investment in innovation**



Expansion of bank partners

2000



From...
8 partnerships
with 5 banks
in 8 countries

to ...
26 partnerships*
with 22 banks
in 11 countries

2004



* This is the number of bank strategic alliances. We also operate a number of campaign based activities with other bancassurance partners across the region.



Expansion of bank channels

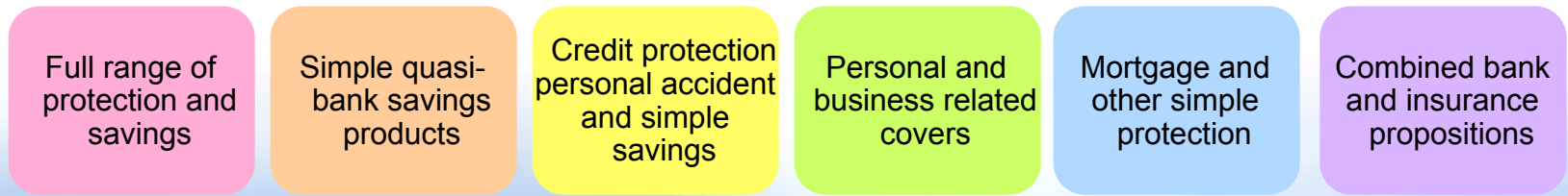
Tailored multi-channel bancassurance distribution model



Customers



Products

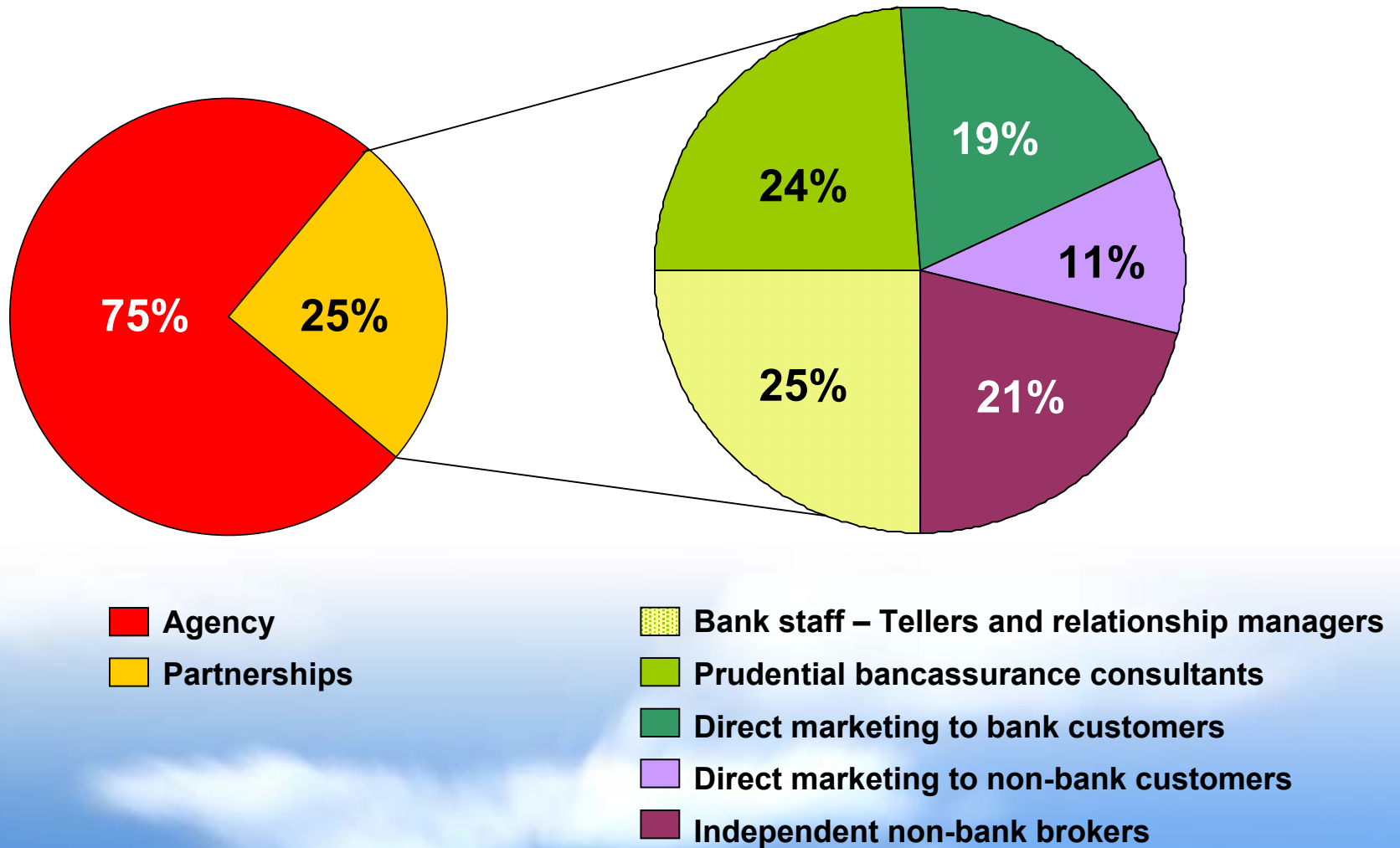


Significant expansion in reach across available customer segments in banks



Diversification beyond banks

APE split for 3rd quarter 2004 year to date





Tremendous Opportunities

Committed to continue increasing sales through partnerships distribution



- **Grow existing bancassurance and non-bank partnerships**
- **Forge new long term relationships with quality partners**
- **Expand our direct marketing & worksite marketing capabilities**
- **Open new and innovative partnership channels**
- **Develop our talent pool**



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Bancassurance in Hong Kong

James C K Wong
Prudential Assurance Hong Kong
November 2004

Strength of partners

Well-known
and reputable

Distribution strength :
60 Hong Kong
branches

Broad customer base



Strong insurance brand

Insurance expertise

Product and training

Channel development

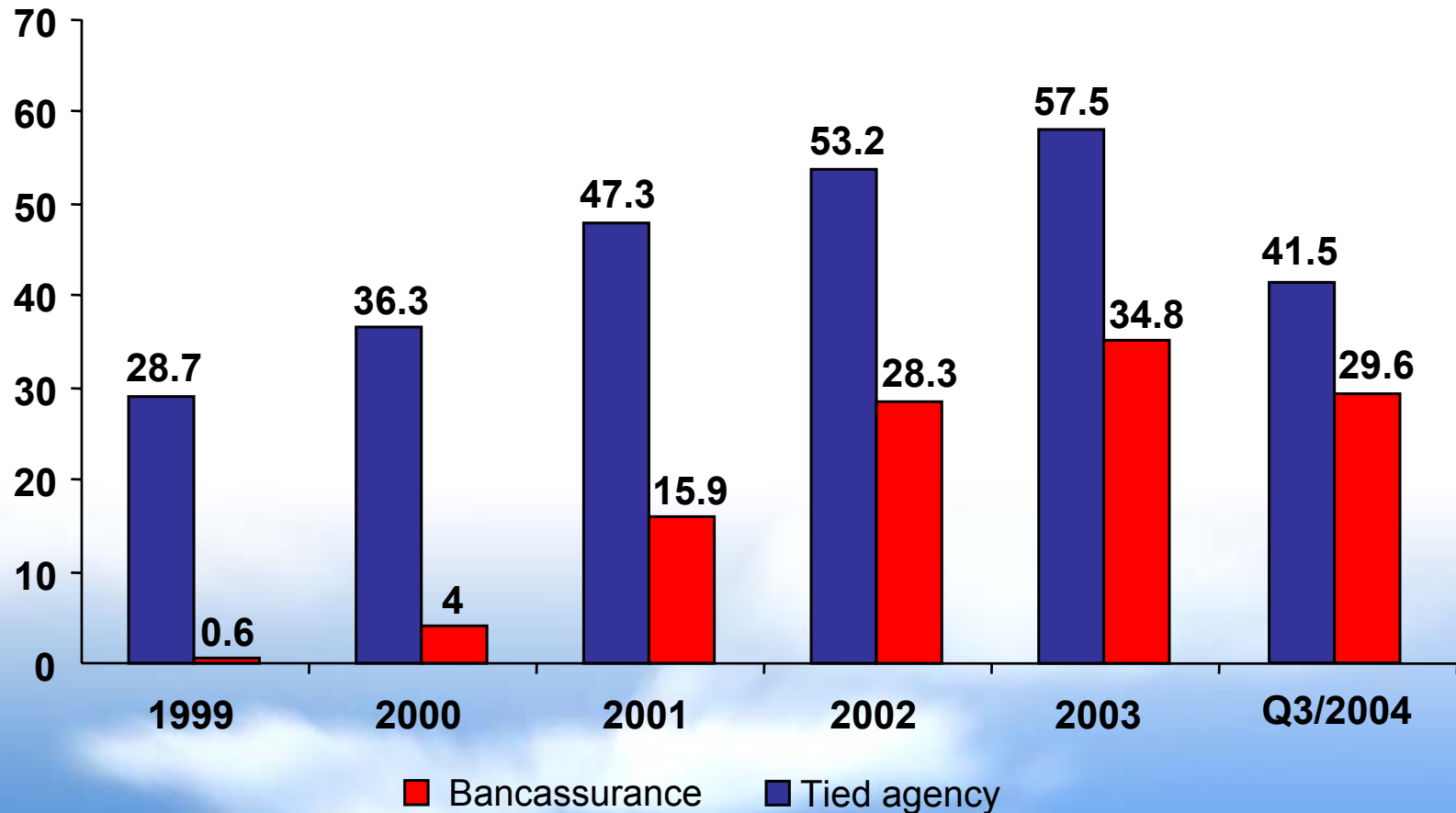
- ***Joint commitment to delivering value***
 - ***Launched in February 1999***



Bancassurance business growth

Bancassurance sales have grown quickly in a short time to become a very material contributor to our business

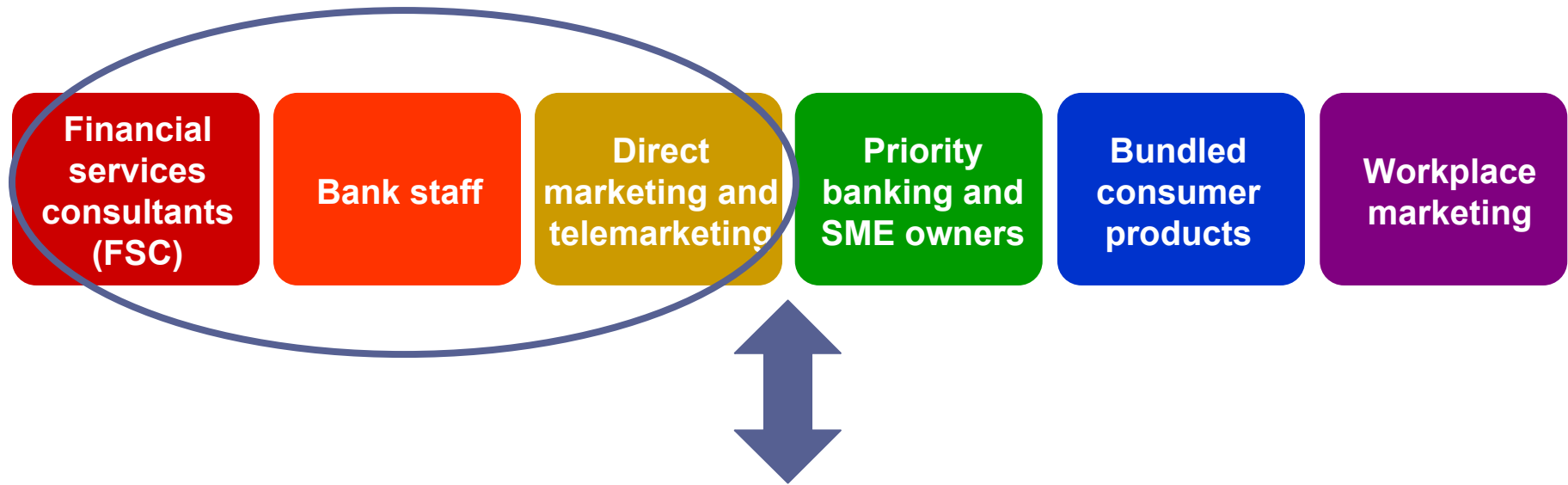
APE £ million





Multi-channel approach

Expansion of bancassurance channels to increase access to SCB customers and contact points



Standard Chartered Bank customer segments

Mass market /
Excel retail

Credit card and
loans

Priority
banking

Mortgage and
Auto

Corporate and
business



Our financial services consultants

Financial services consultants (FSC)



- | **120 financial services consultants : Prudential salaried employees**
- | **Professional and comprehensive training**
- | **Well defined Career Programme**
- | **Branch-based and Mobile**
- | **Differentiated by expertise to tailor different customer segments**



Our branch staff sales

Bank staff

- | **SCB branch staff : 40% of SCB front-line staff with insurance license**
- | **Simple volume products**
- | **Pass referrals to Financial Services Consultants**





Our direct marketing and telesales

Direct marketing and telemarketing



- | **Call centre**
- | **In excess of 1 million outbound calls in 2004**
- | **150,000 customers with more than 200,000 in force policies**
- | **Well-defined sales process and professional telesales**



Comprehensive product range reaches more customers via more contact points

Prudential products

Savings and investment

With profits and unit linked

Accident and health

Credit line

Mortgage protection



Financial services consultants (FSC)

Bank staff

Direct marketing and telemarketing

Priority banking and SME owners

Bundled consumer products

Workplace marketing



Standard Chartered Bank customer segments

Mass market / Excel retail

Credit card and loans

Priority banking

Mortgage and Auto

Corporate and business

A few words from our SCB bank partner



Summary

Standard
Chartered



- | **Broaden our customer base with SCB partnership**
- | **Successful partnership that delivers additional APE**
- | **Significant growth potential through shared vision and joint commitment**
- | **Experience in Hong Kong helps refine partnerships distribution model in other countries**



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Competitive Advantage Through Multi Distribution

Mike Bishop
PCA LIFE Korea
November 2004



Market overview

Significant life insurance market

- 2nd largest in Asia (after Japan)
- 7th largest in the world

Restrictive regulations

- Regulations are restrictive especially on product development, but these are improving

Strong competition

- Local competitors still dominate
- Foreign competitors have been very aggressive

Products and Channels

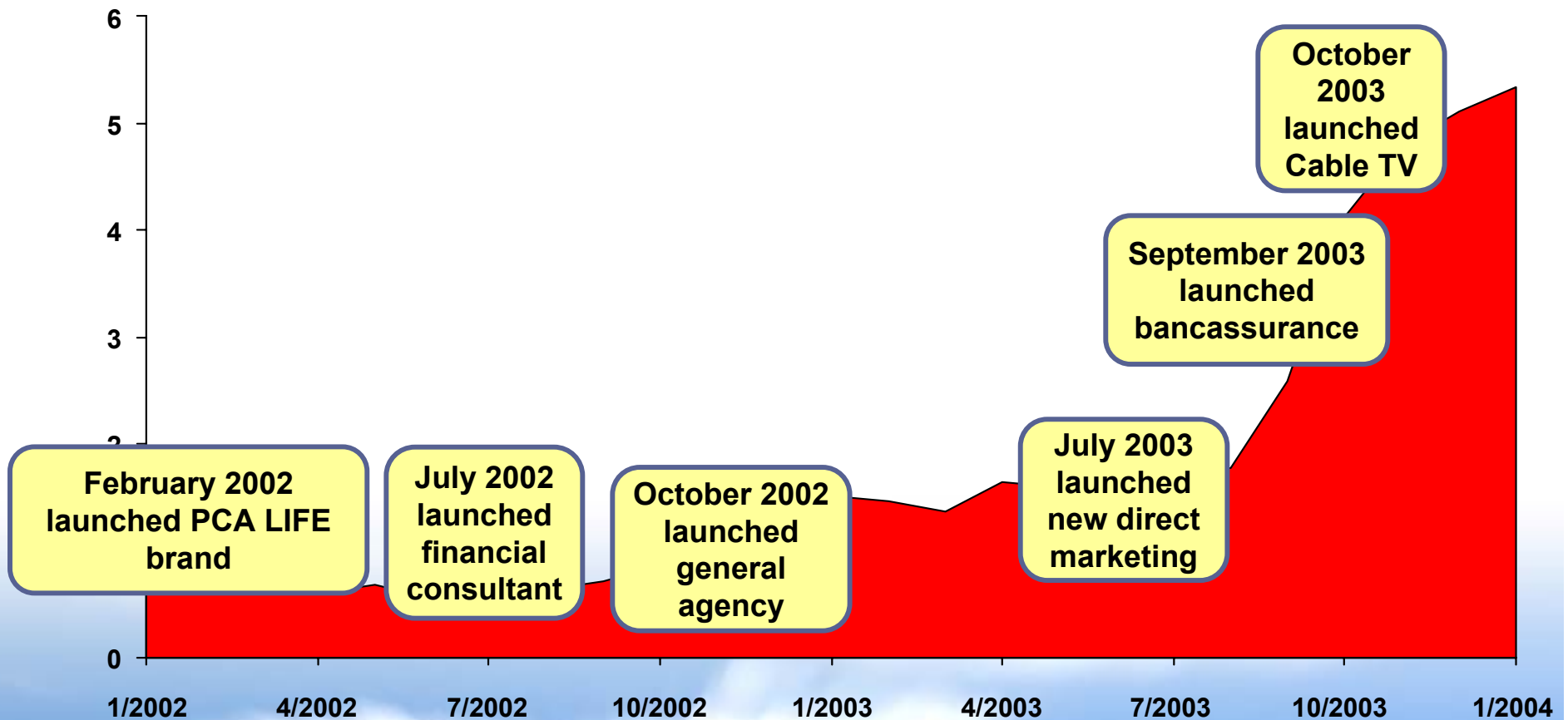
- Competitors still focus on limited channel strategies
- Product diversity remains limited



Multi distribution : Evolution

A true multi distribution business

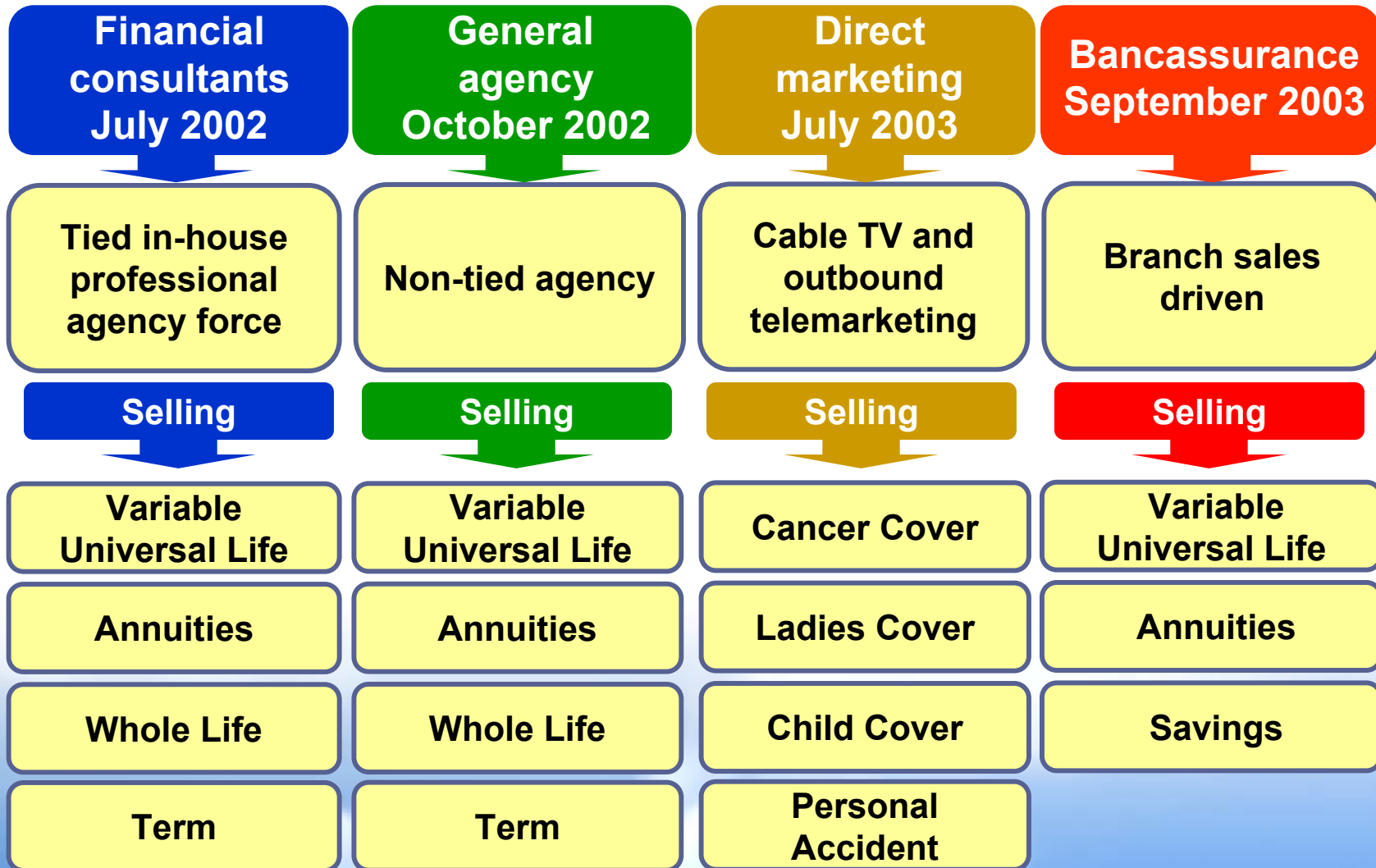
£ million



Constant exchange rates

Multi distribution : Channel profile

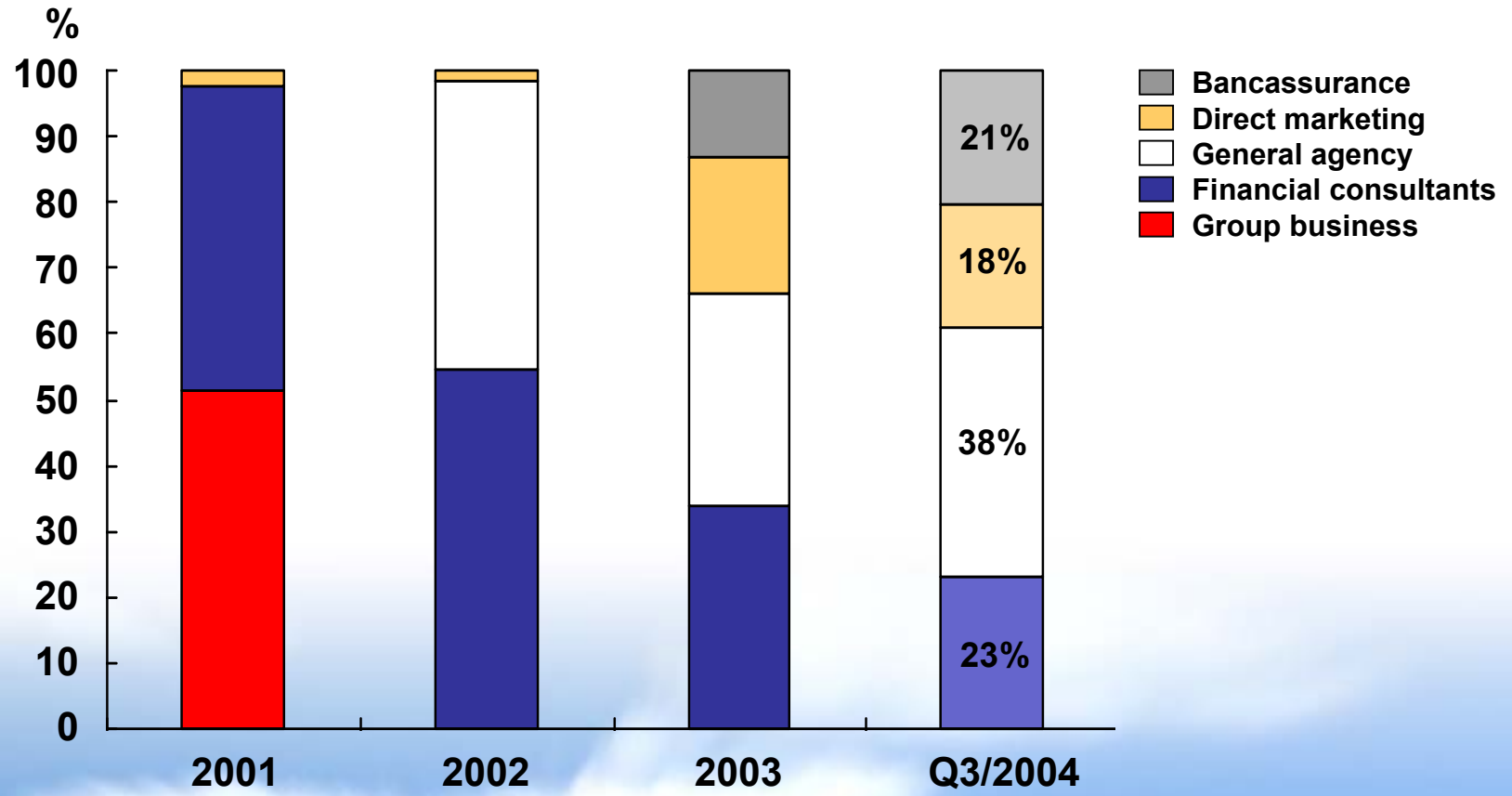
Four channels





Multi distribution : Channel contribution

Each of our channels have made a material contribution to the business



Multi distribution : Partners

Partners have also been key to our multi-distribution success

Bancassurance

HSBC 

 제일은행

www.kfb.co.kr

SAMSUNG

삼성증권

citibank

KoramBank

Direct marketing

현대 홈 쇼핑

HYUNDAI HOME SHOPPING

JOINS

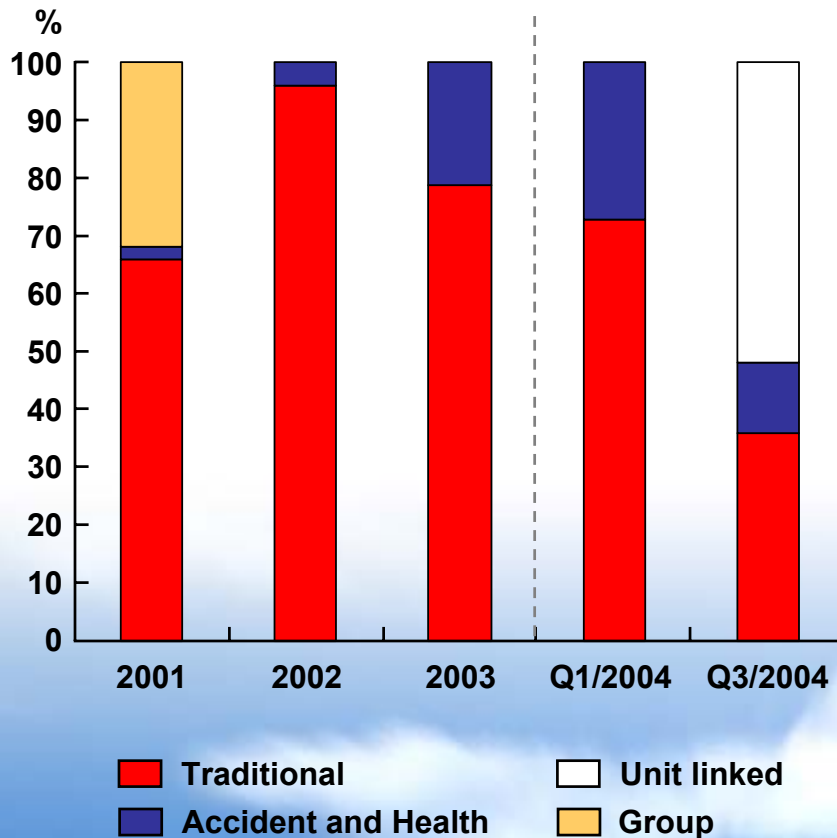
KT SODIS



Product portfolio

Whilst maintaining channel-specific products, focus has been on increasing unit linked sales

Product mix (APE basis)



2nd in market with
Variable Universal Life

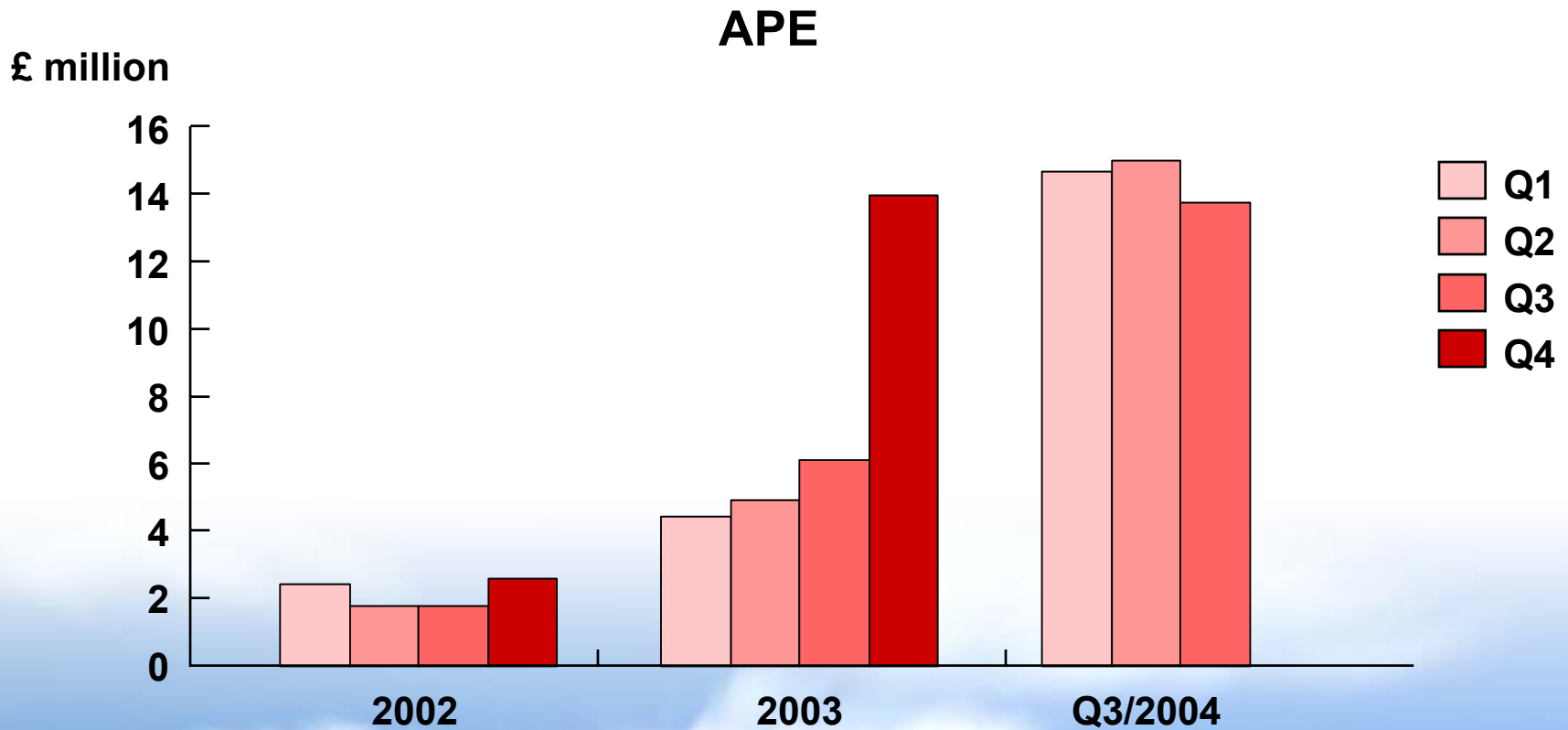
Variable Universal Life now comprises
over 50% of new business sales

Variable Universal Life marks a
significant move away from traditional
guaranteed products



What we have achieved : Including 2004

Since launch in Feb 2002, we have achieved significant sales growth

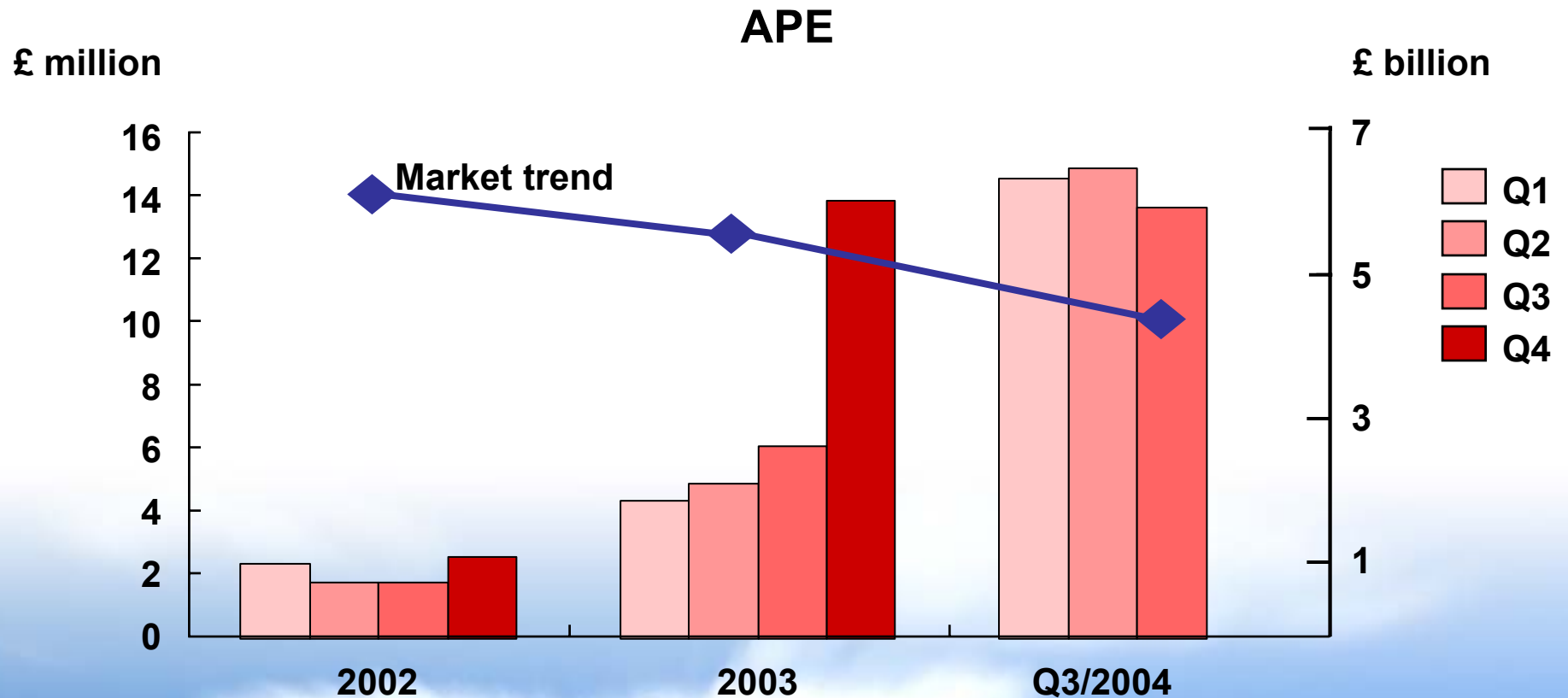


Constant exchange rates



What we have achieved : Including 2004

Since launch in Feb 2002, we have achieved significant sales growth... despite decline in Korean life insurance market



Constant exchange rates



Pioneering insurance sales through Cable TV

Now a material channel through understanding Korean female consumers and designing simple needs-based products

Find and "Win"

Keep

Identify and understand primary targets

New product development

Distribution choice

Cross sales / Up sales

Housewives "Ajumas" are key decision makers and *they watch lots of TV*

Developed simple and easy to buy products that appeal to mums and wives

Offered direct via Cable TV to reach a nationwide audience

Telemarketers close the sale and also generate leads for financial consultants



Pioneering insurance sales through Cable TV

Cable TV sales process

1. Infomercial on Home Shopping channel

2. List generation

3. Outbound sales calls

4. PCA LIFE underwrites and issues

5. External fulfillment





Pioneering insurance sales through Cable TV

Created a new market and carved out a compelling customer proposition

What we have achieved



Pioneer of Cable TV distribution

Created a distribution channel
in its own right

Enhanced brand building
and public relations efforts

45,500 policies sold since
October 2003

Cross sale opportunities for our
financial consultants



Summary

- **Our strong commitment to multi-distribution**
- **We pioneered Cable TV distribution of life insurance**
- **Specific products developed to meet the needs of each channel and each target audience**
- **Each channel has made a material contribution to the business**





問與答

Câu Hỏi và
Trả Lời

질문 & 답변

คำถาม
& คำตอบ

Q & A

Tanong
at sagot

Tanya
& Jawab

質問および回答

问与答

प्रश्न और जवाब



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