



Prudential
Seizing
the
Opportunity

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



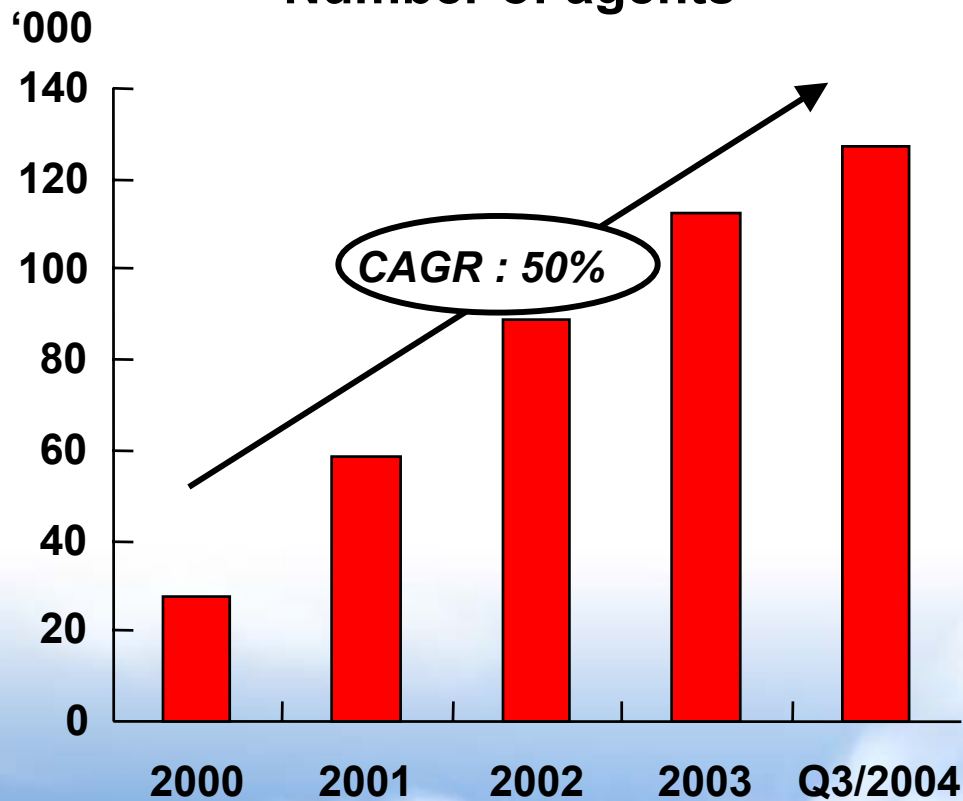
Channel ownership



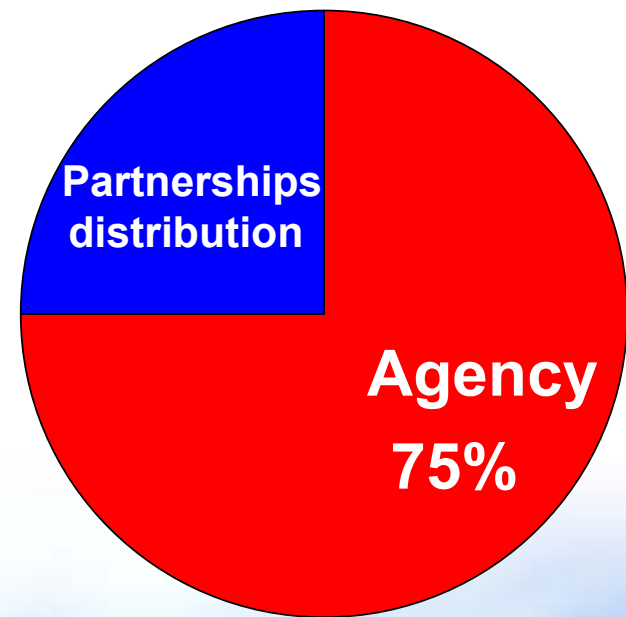
Importance for Prudential

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

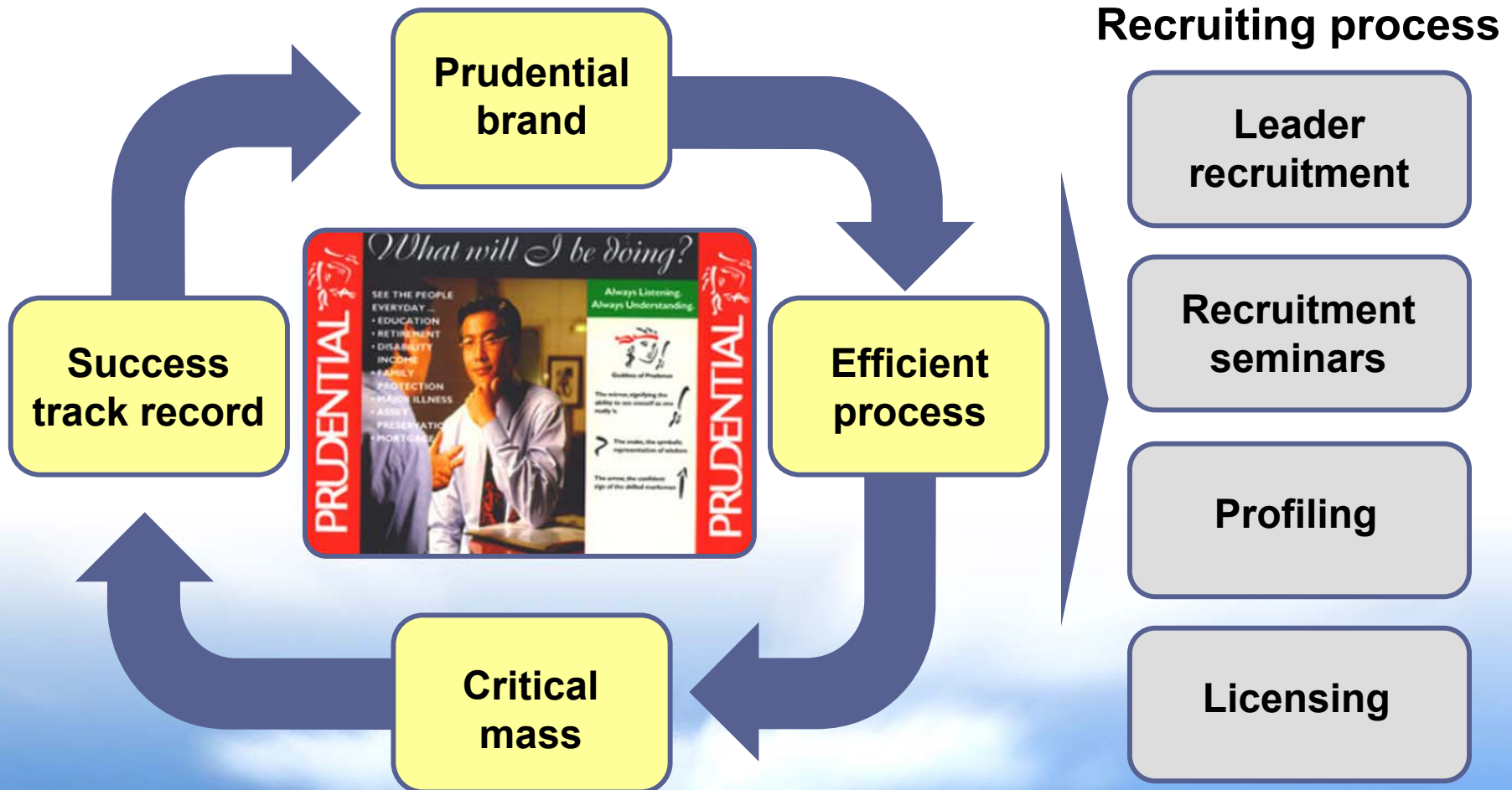
Channel
management
and compliance

- **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

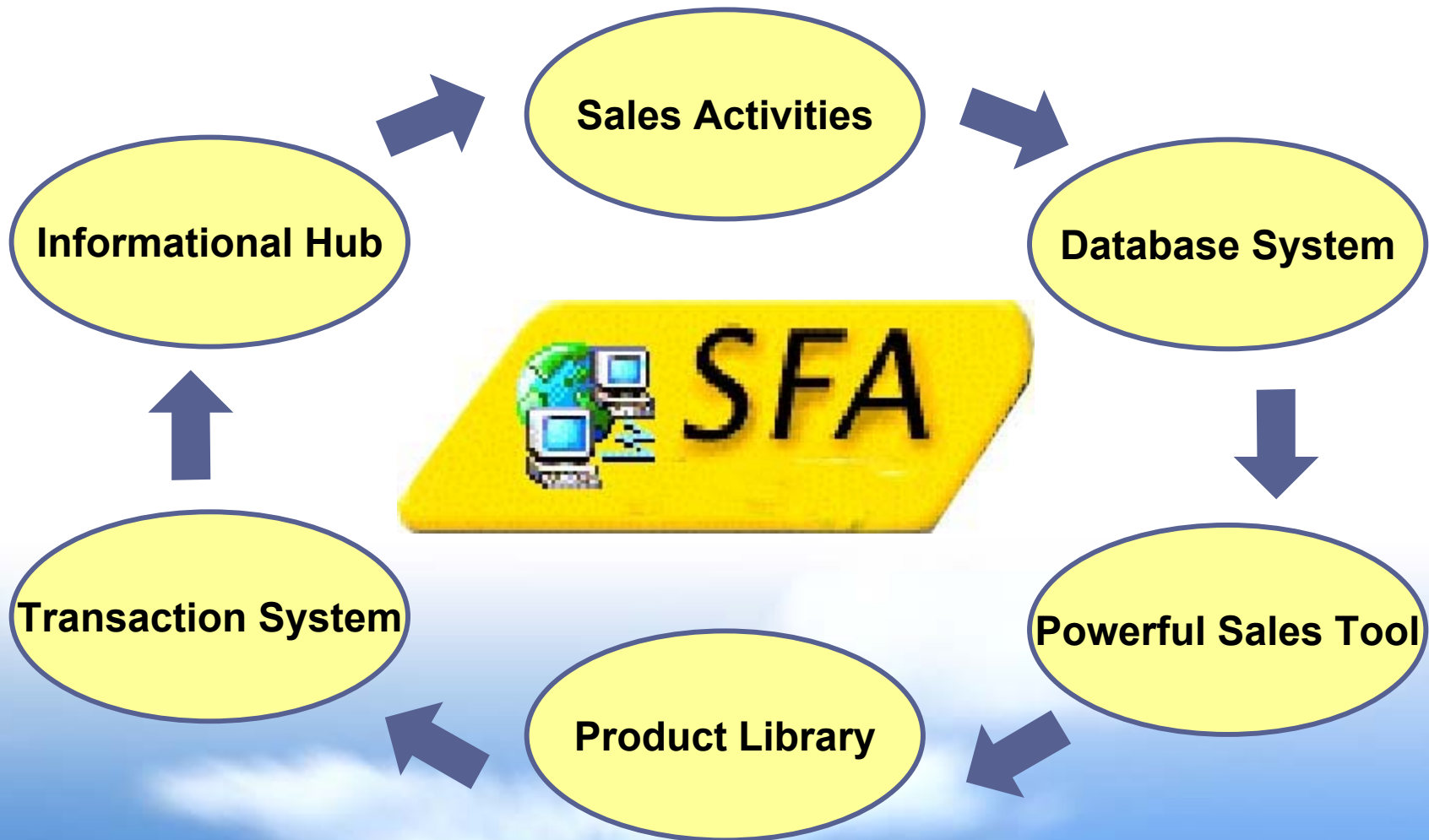


- **Dedicated training in all countries**
- **323 trainers around the region**
- **Over 470,000 hours spent on training per month in 2004**
- **Managers / leaders provide on the job training support**
- **Focus on**
 - Licensing agents to start selling
 - Broadening product portfolio to drive higher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



Sales infrastructure

New infrastructure to support productivity growth





Agency retention

A structure that builds long-term loyalty to Prudential



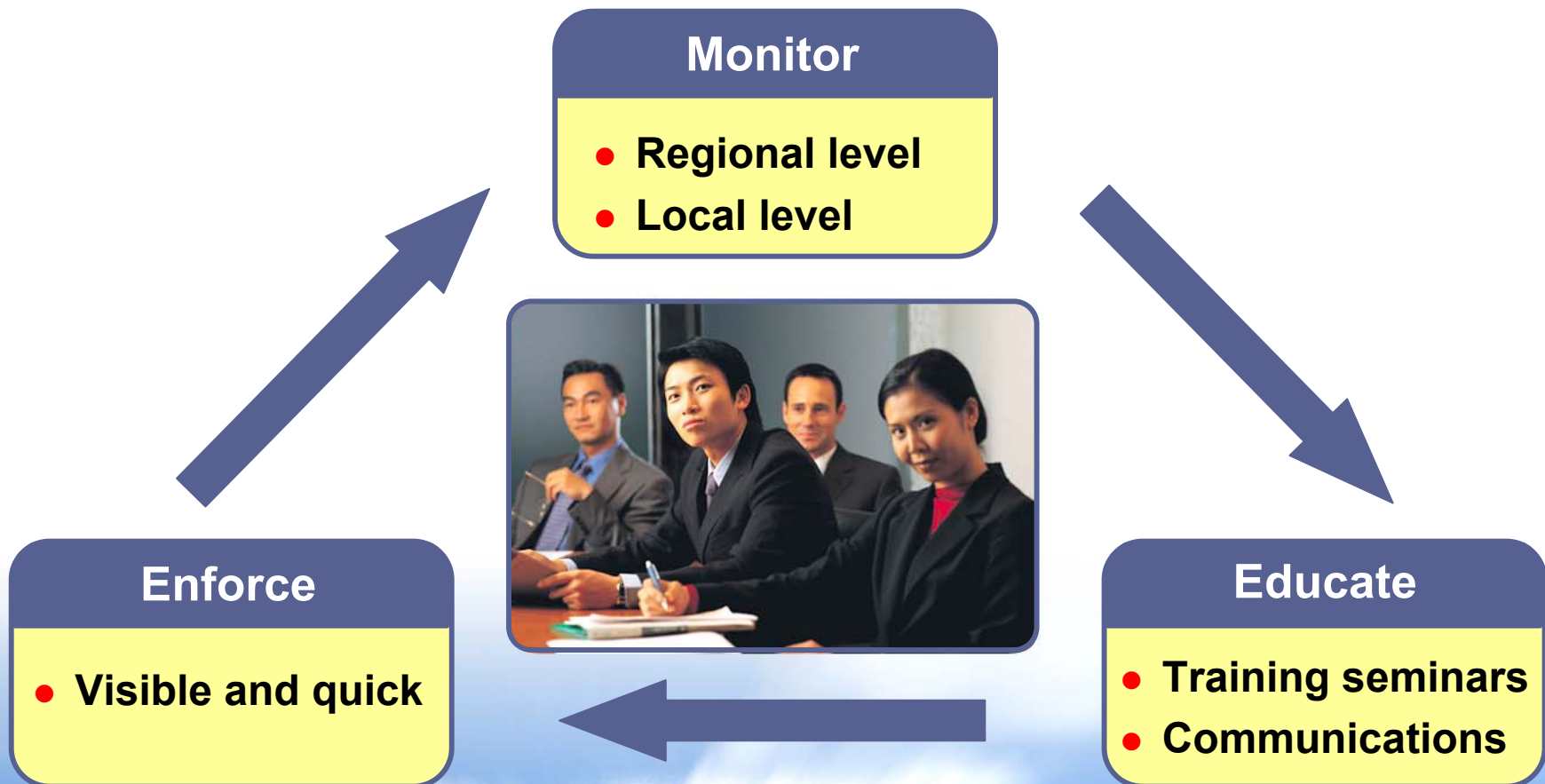
Supported by Prudential brand

- **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**

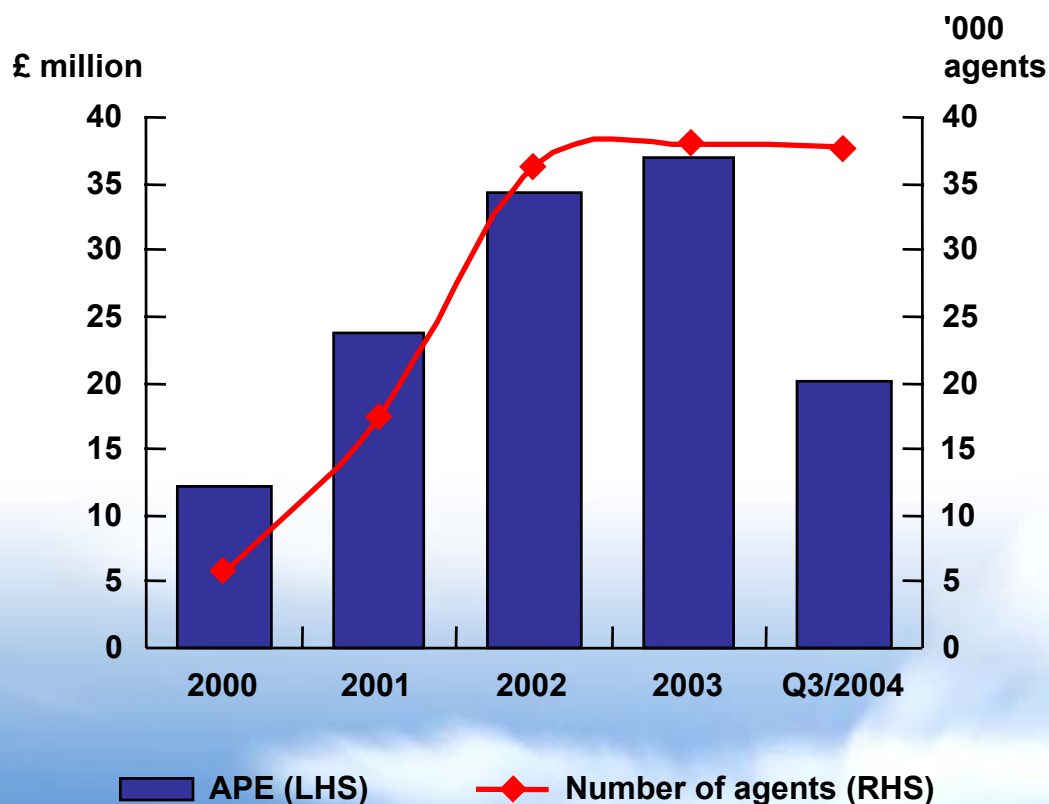
**Indonesia, Thailand,
Philippines**

**General
agency model**

Case study : Building scale in new markets

Focus on rapid agency growth in Vietnam

Agent numbers versus APE



Constant exchange rates

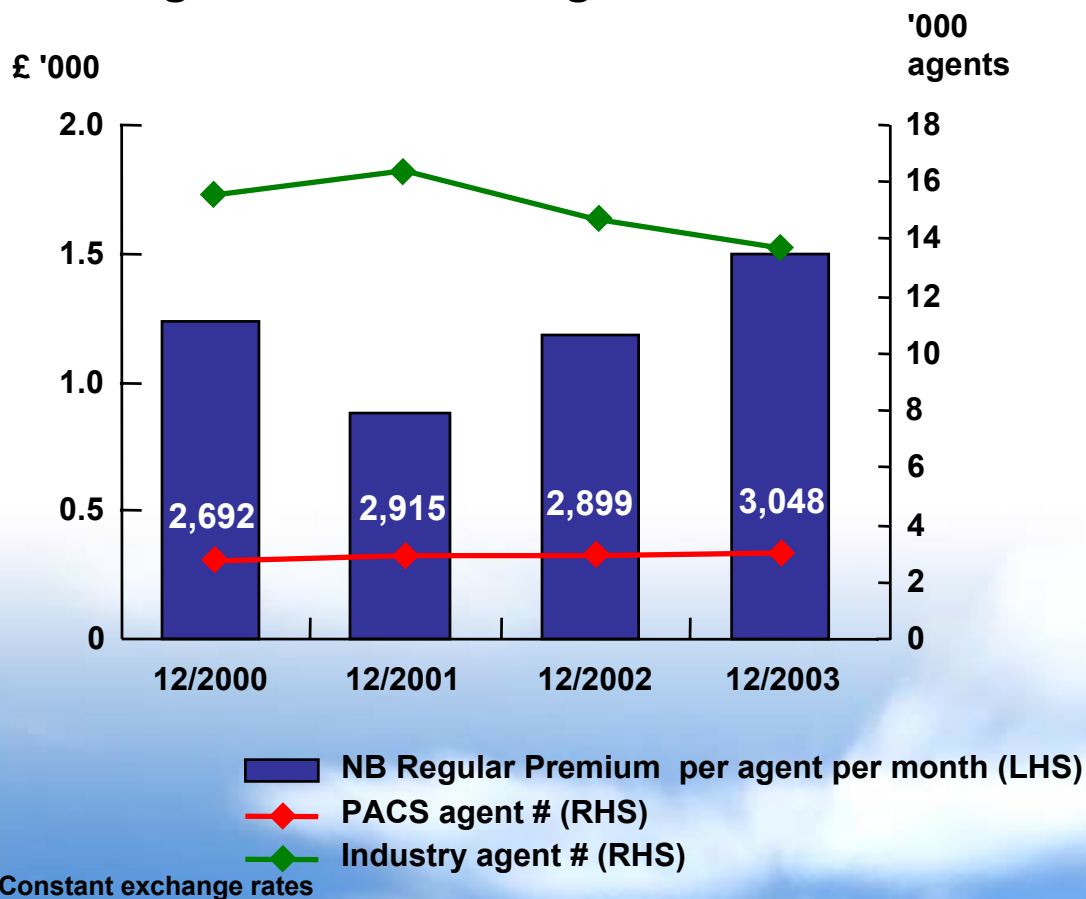
Example : Vietnam

- 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**