



Thailand



Thailand :

Emergence of new distribution channels

Life industry

Penetration:	2.0% GDP
Density:	US\$ 55 per cap
Total premium:	US\$ 3.5 bn
New business:	US\$ 0.8 bn
# Policies:	3.2 million
Liberalization:	1995
# Players:	25 (13 JV)

Thailand

Characteristics

- Dominated by agency distribution but channel stagnant in recent years
- Strong emergence of bancassurance and direct marketing channels
- Slow pace of product innovation – still dominated by traditional guaranteed products

Top players H1 2006

1. AIA	39%
2. Thai Life Insurance	16%
3. Muangthai Life	8%
4. Ayudhya Allianz C.P Life	8%
5. Bangkok Life	6%
10. Prudential	1.5%

Recent developments

- Recent political development has had little impact
- Multi distribution companies increasing market share
- Agency poaching significantly reduced due to cost and persistency issues

Thailand : Challenges & strategy

Challenges

- Market dominated by long entrenched, traditional agency players
- Difficult for new entrants to establish agency distribution profitably

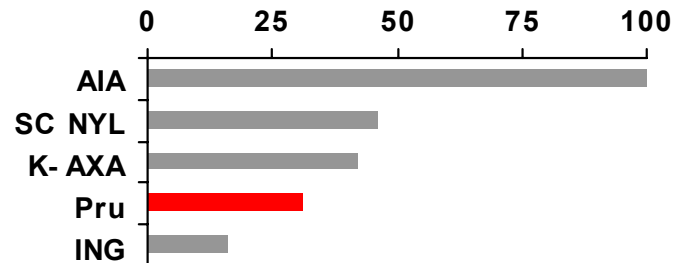
Prudential strategy

- Build best in class DM capabilities and establish first mover advantage in this emerging channel
- Rapidly expanding PruCall centre currently with 400 TSRs

- ✓ Growing list of direct marketing partners trusting us with their customer base



- ✓ Improving brand awareness amongst foreign companies





Thailand : Building best in class DM operation

Developments

- Growth in agency distribution has been stagnant
- Bancassurance and direct marketing channels taking off
- Pace of product innovation remains disappointing; linked products not yet approved by regulators

Prudential's position

- Prudential is investing to become the leader in direct marketing
- Continue to build a diversified distribution capability