

PCA Insurance

Tony Wilkey

Chief Executive, Insurance
Prudential Corporation Asia

16 November 2011

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Chief Operating Officer, Insurance
Prudential Corporation Asia

Agenda

- Overview
- Our Platform: Competitive Strength and Diversity
- Our Strategic Priorities and Track Record
- Our Priorities In Focus
- In Summary



Overview

- Asia remains a source of strong growth opportunities with increasing wealth creation and favourable demographics
- Prudential has transformed its Asia insurance business into an advantaged platform for sustainable growth
- Proven track record of delivery on multi-dimensional metrics, creating superior shareholders' value
- Committed to leverage our platform to execute, deliver and out-perform



Agenda

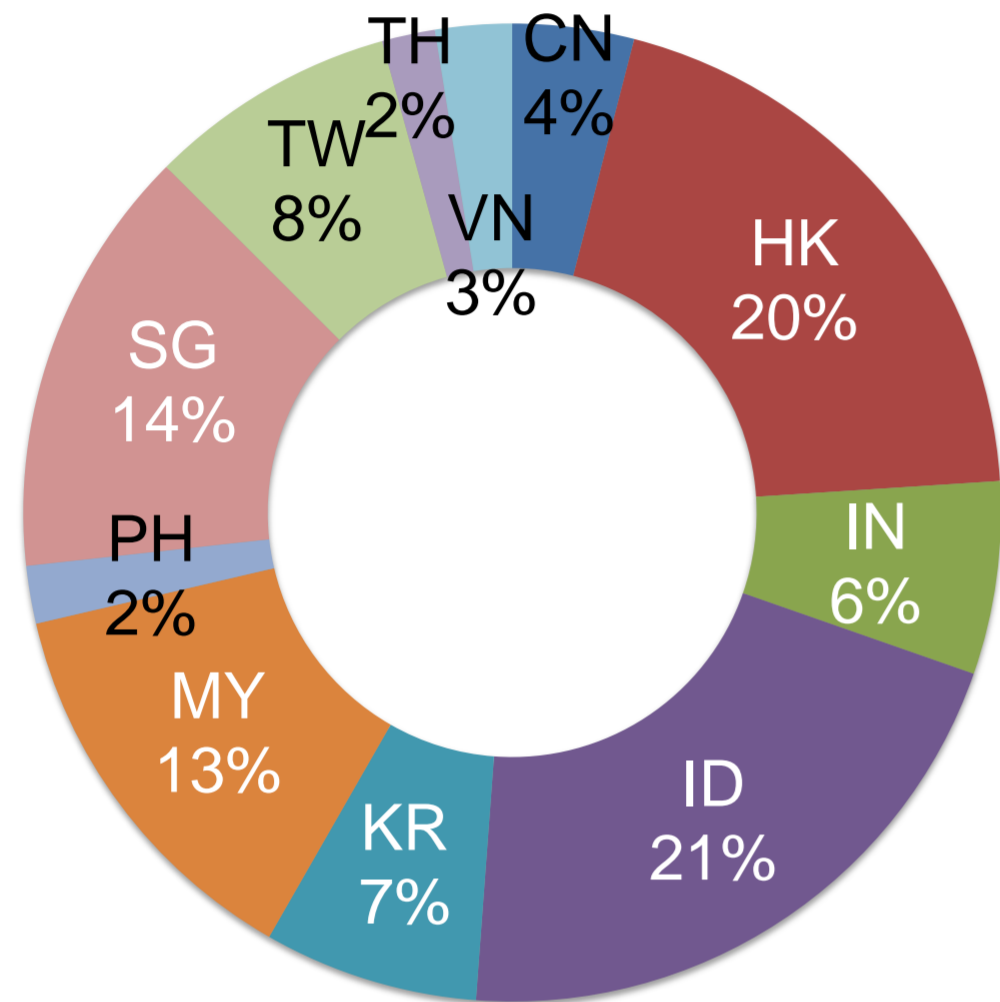
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Multi-dimensional Scale and Diversity

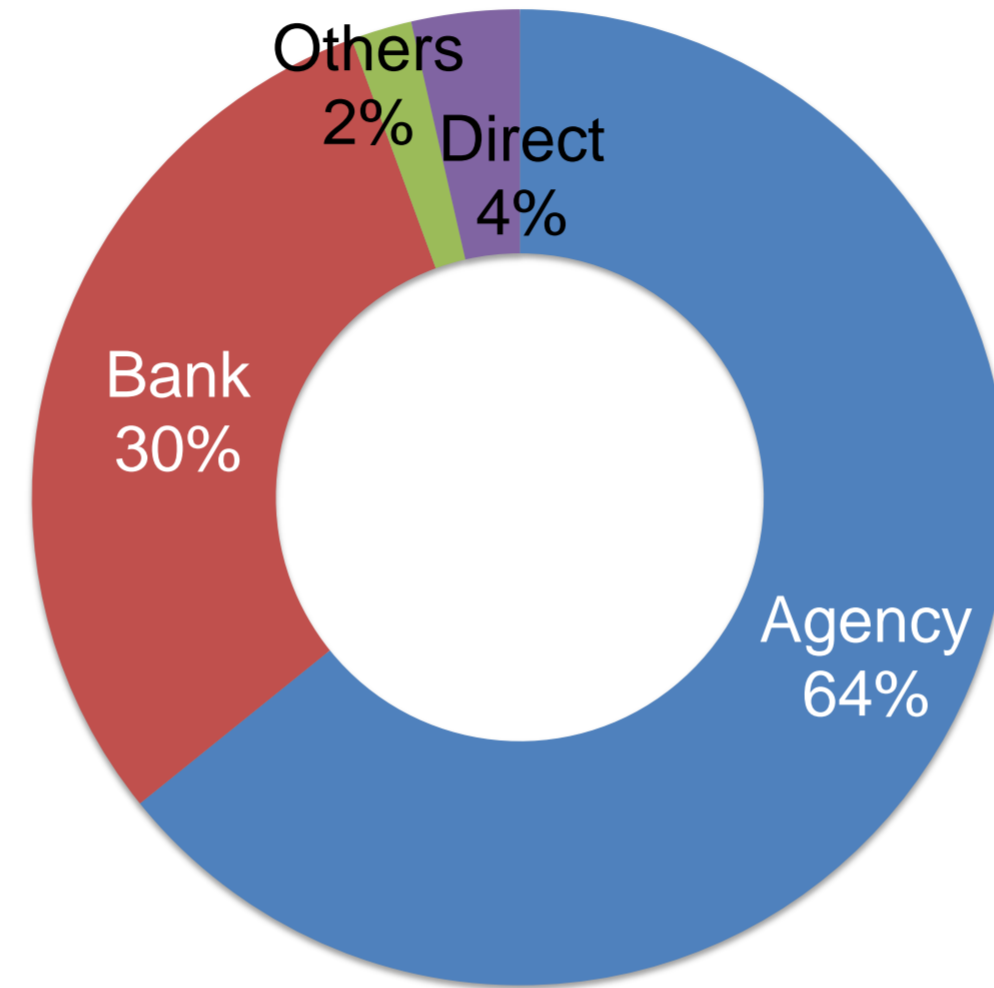


Diversified Geography



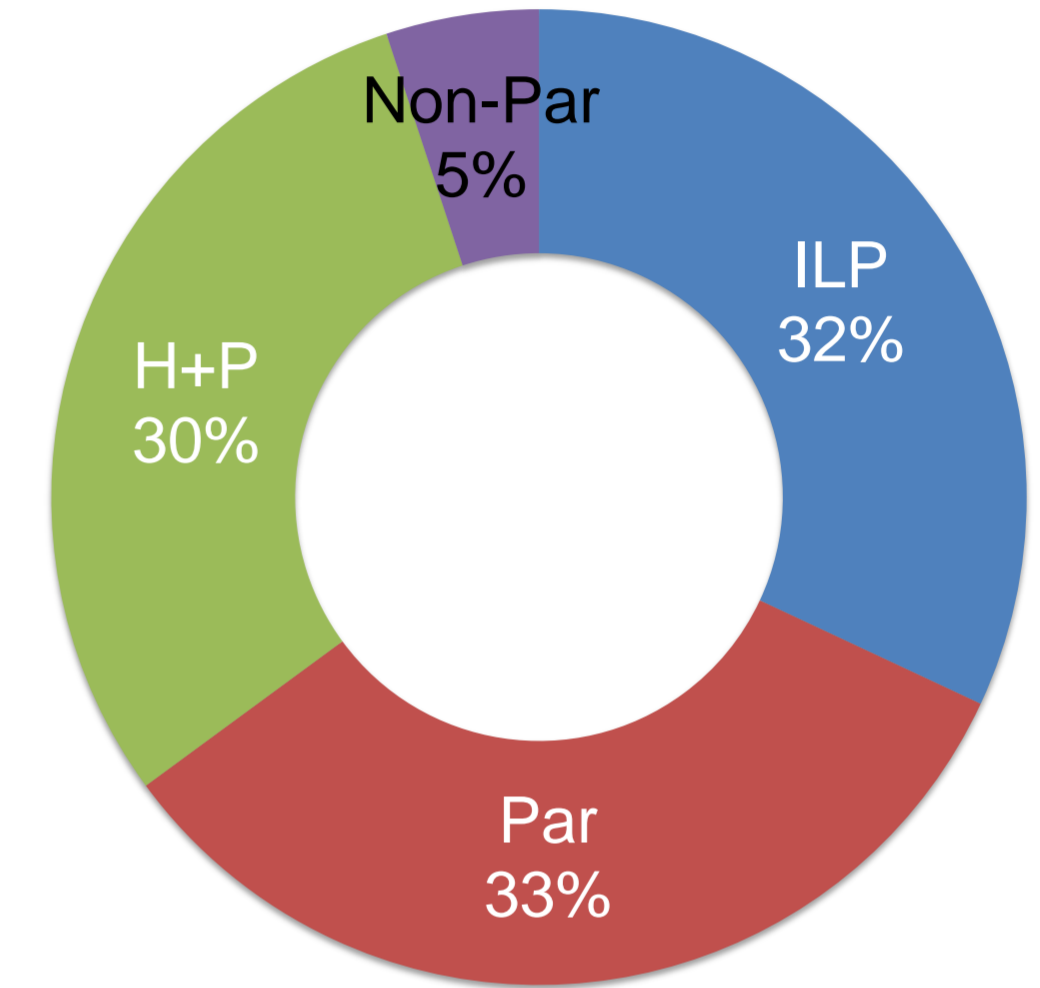
- Operating in all key and high potential markets
- Truly regional; not dependent on any one market to drive results
- All markets with share greater than 2%

Multi-distribution



- Truly multi-distribution
- 345,000 Agents
- 77 Bancassurance Partners
- 8 non-bank partners
- 1,200 TSRs

Comprehensive Product Range









- Comprehensive range to meet customers' needs
- Maintaining pricing discipline
- Strategically managed portfolio to deliver value
- Emphasis on regular premiums for long-term value


Note: Results for Q3 2011 YTD ex-Japan

Our Competitive Strengths

Operating in 11 countries with material scale and market leadership



	Vietnam APE: £29m Market Share: 30% Rank: 1
	Indonesia APE: £239m Market Share: 22% Rank: 1
	Malaysia APE: £150m Market Share: 21% Rank: 1
	Singapore APE: £163m Market Share: 19% Rank: 1
	Philippines APE: £22m Market Share: 15% Rank: 1
	Hong Kong APE: £229m Market Share: 9% Rank: 3

	India APE: £73m Market Share: 6% Rank: 2
	China APE: £46m Market Share: 11% Rank: 2 (Foreign)
	Taiwan APE: £94m Market Share: 2% Rank: 11
	Thailand APE: £20m Market Share: 2% Rank: 11
	Korea APE: £81m Market Share: 1% Rank: 18

Note: APE for Q3 2011 YTD; Market Share data as of H1 2011; India is from Apr -Jun; New business weighted premium basis; China ranking and market share among foreign / JV only
Source: based on formal (Competitors' results release, local regulators and insurance associations) and informal (industry exchange) market share data

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Our Strategic Priorities

Strategic Themes Remain Relevant

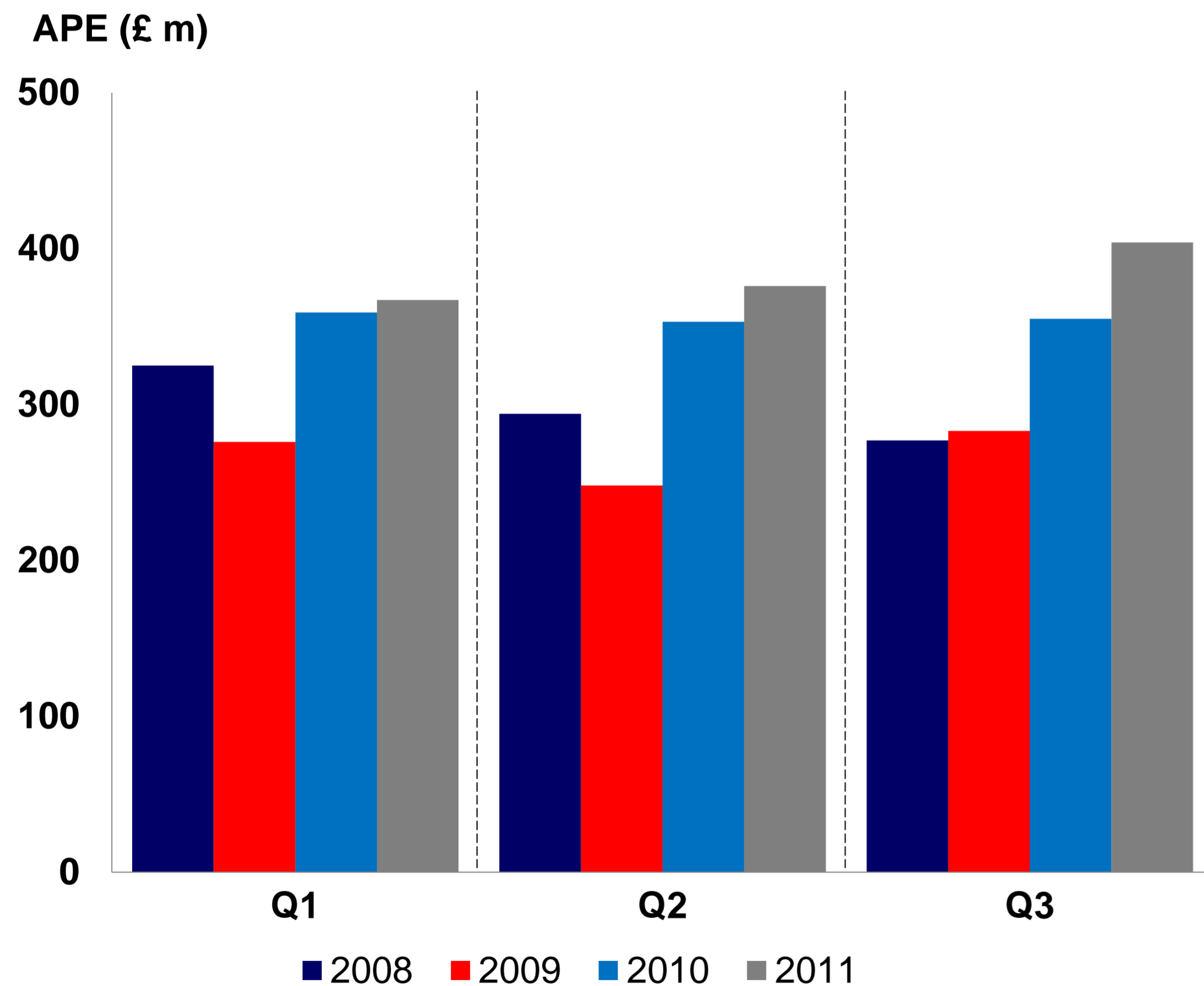
'Staying Ahead' to Reinforce Market Leadership and Deliver Profitable Growth

- **Strengthen** agency scale and quality through disciplined & execution-oriented management
- **Optimise** value from strategic bank partners and acquire new ones with enduring value for both parties
- **Refresh and innovate** product offerings for 'all seasons' while maintaining 'value over volume'
- **Protect long-term value:** sustain persistency, enhance expense position while further reinforce claims management
- 'Best-in-class' leadership teams accountable to deliver multi-dimensional results
- Embed superior compliance and risk management frameworks

Strategic Priorities formulated regionally; executed locally

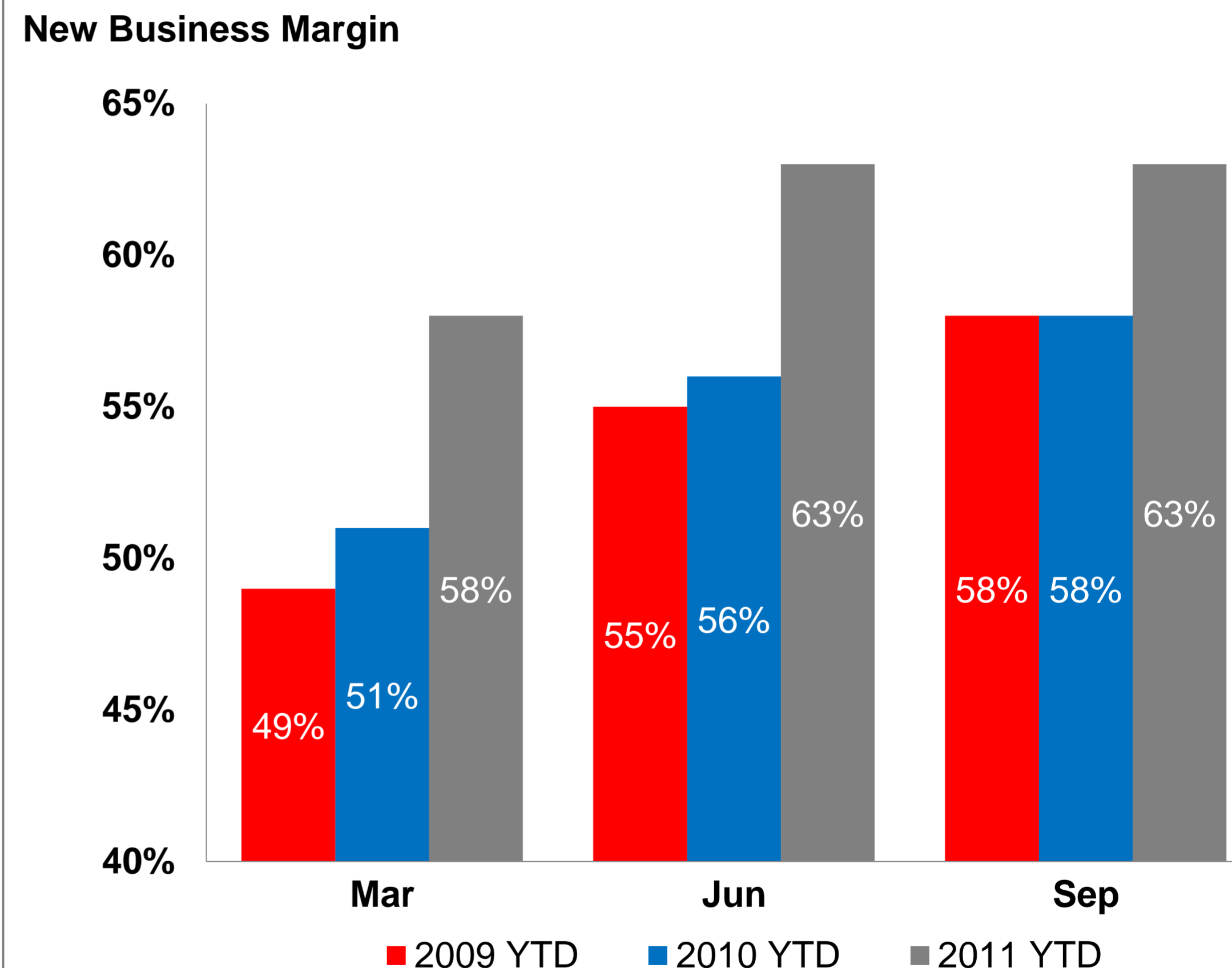
Our Delivery Track Record

Continuing with Record Quarters



Note: Actual exchange rates; excludes Taiwan agency and Japan for all years

...and Sustaining Profitability



Note: Results for Q3 YTD excludes Japan and Taiwan Agency

Our Delivery Track Record

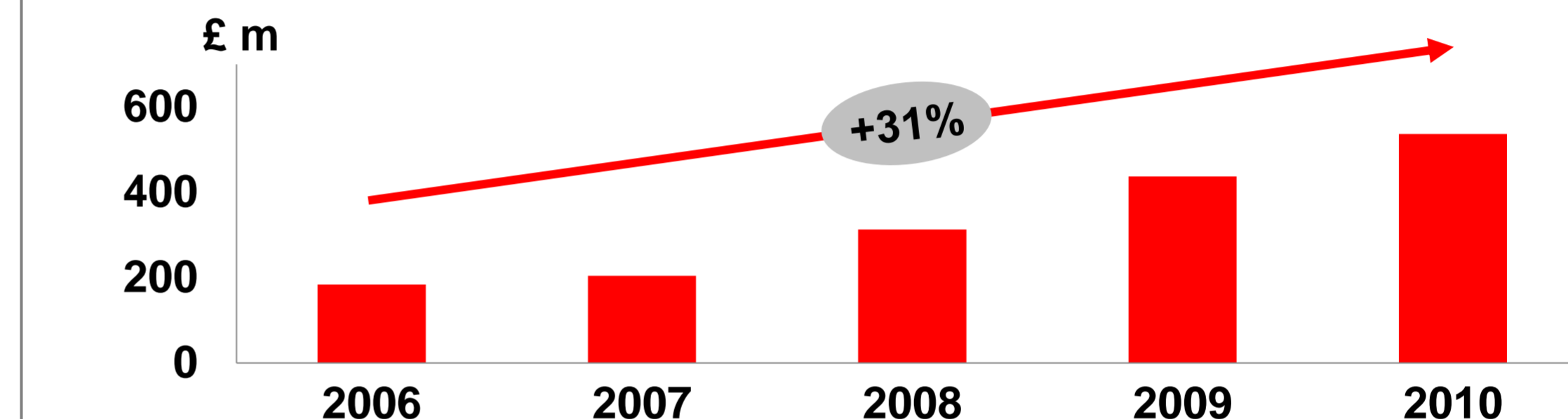
Building scale and delivering shareholder value

Operational Scale

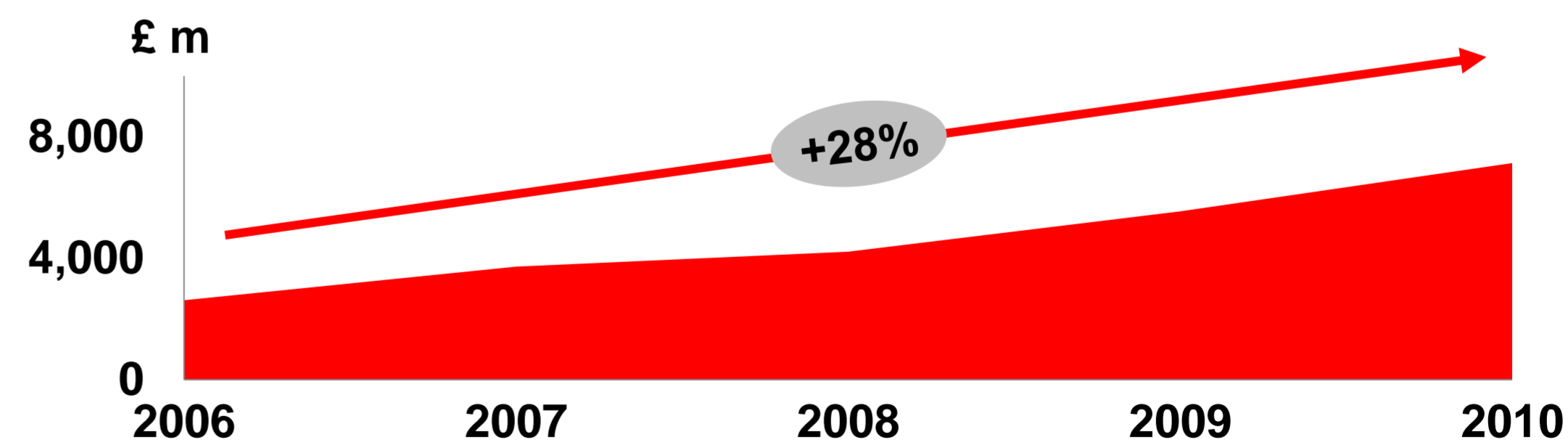
	2006		2010	Growth
Policies	8m	→	15m	1.9x
Customers	6.5m	→	11m	1.7x
Monthly Policy Issuance	223,000	→	289,000	1.3x
Unique Partners	32	→	76	2.4x
Agents	274,000	→	340,000	1.2x

Note: all numbers are for life business only; excludes Taiwan Agency and Japan

Insurance IFRS



Closing EEV



Note: Prepared on AER basis; excludes Japan

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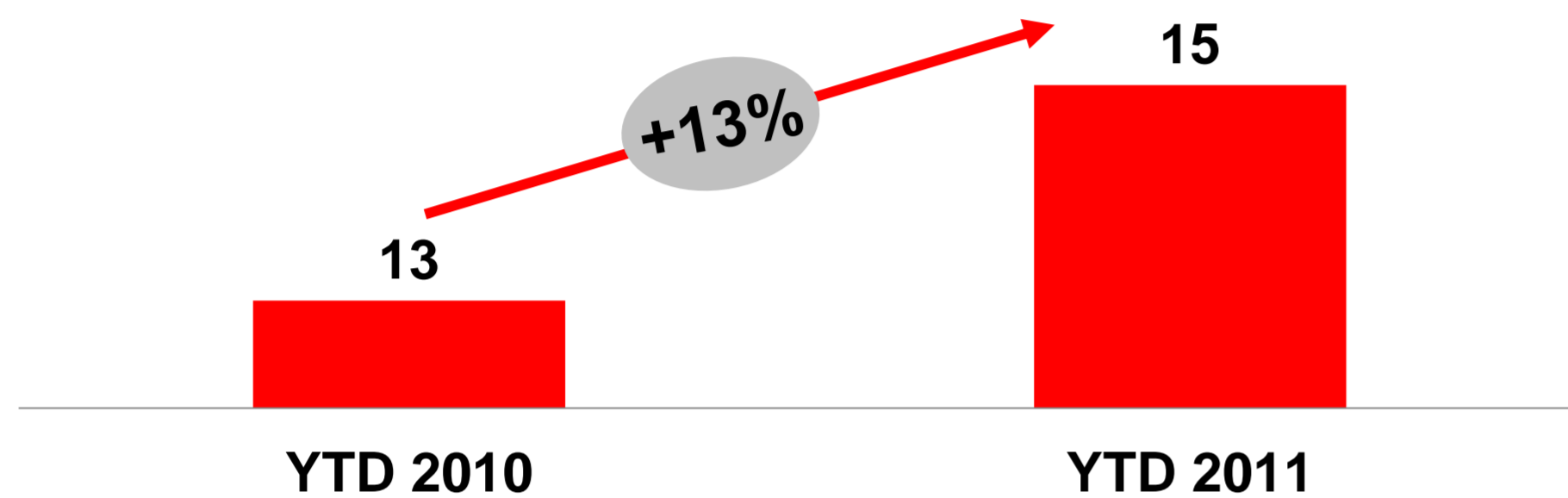
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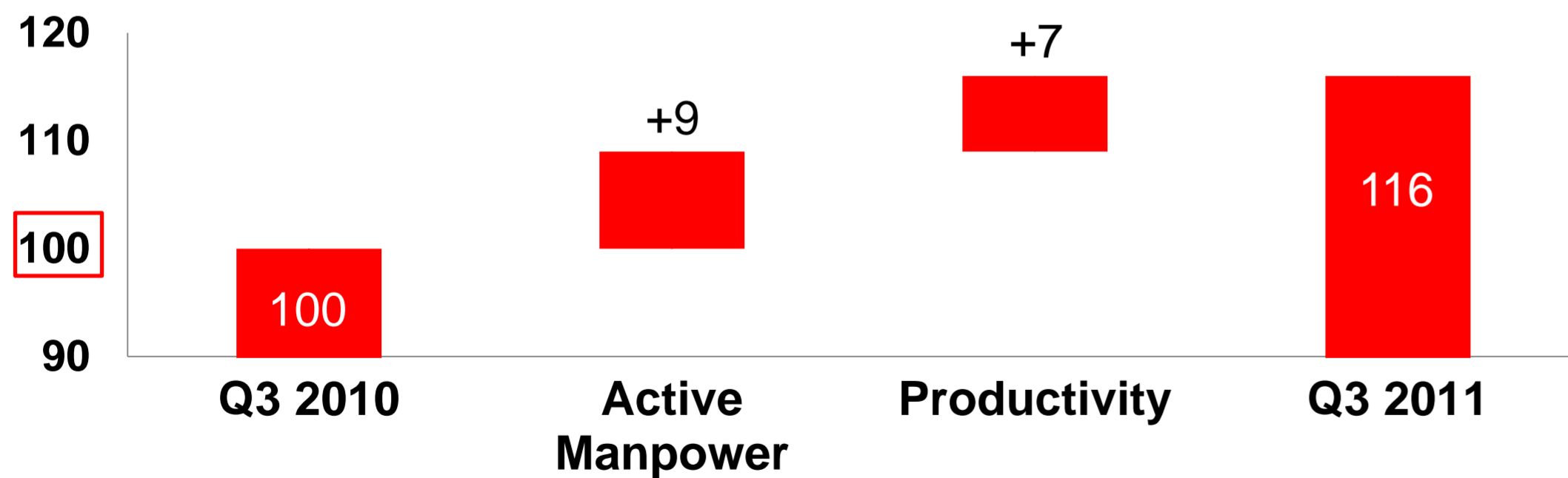
Agency: Scale and Quality

Growing Recruitment¹

Average Recruits pm ('000)



Agency APE – Growth Drivers¹



1. Q3 YTD. Excludes Japan & India; prepared on CER basis

- Agency APE growth of 16% driven by both manpower and productivity
- Step up recruitment momentum: 15,000 recruits per month (ex-India), up 13%
- Less attrition across all markets
- Develop manpower through training and activity management
- Productivity growth across all markets from disciplined management
- More profitable product mix

Agency: “Best in Class” Management

Results driven by disciplined and execution oriented management

Recruitment

- Awareness
- Attraction
- Engagement
- Selection

Rewards & Incentives

- Compensation tied to volume and quality factors
- Intrinsic and extrinsic focus
- Incentives to drive specific behaviour
- Progressive reward levels (President’s Club)

Training & Development

- Testing and licensing
- Mandatory Training: Sales, Product, Financial Planning and Compliance
- Promotion: Qualification, Training

Performance Management

- Definition of Success
- Minimum standards
- Monitoring and coaching
- Balance quality and quantity
- Continuous professional development

- Market leading competencies in agency management
- Focus on key drivers
 - Recruitment
 - Retention
 - Activity
 - Cases per Active
 - Average Case Size
- Supported by
 - Integrated product marketing
 - Advanced technology platform
 - Efficient back office

Adapt locally to market dynamics...

Agency: No 'one size fits all'

Results driven by disciplined and execution oriented management



China, India

Traditional Agency Model

Part / full-time agents
Packaged products
Geographic strength

Korea

Financial Advisors

Career agents
Financial advice
Sophisticated products

Indonesia, Vietnam, Philippines, Thailand

General Agency Model

Variable cost
Build scale - recruitment
Product packaging

Hong Kong, Singapore, Malaysia

Segmented Agency Model

Segmented management
Productivity growth
Career development

- Differentiated agency structure / management depending on maturities and opportunities
- **Established Markets:** enhancing productivity and retention (highly selective recruitment)
- **Growing Markets:** build scale and momentum while growing core cohorts

Priorities in Action: Agency – Hong Kong

Building and nurturing high calibre agents

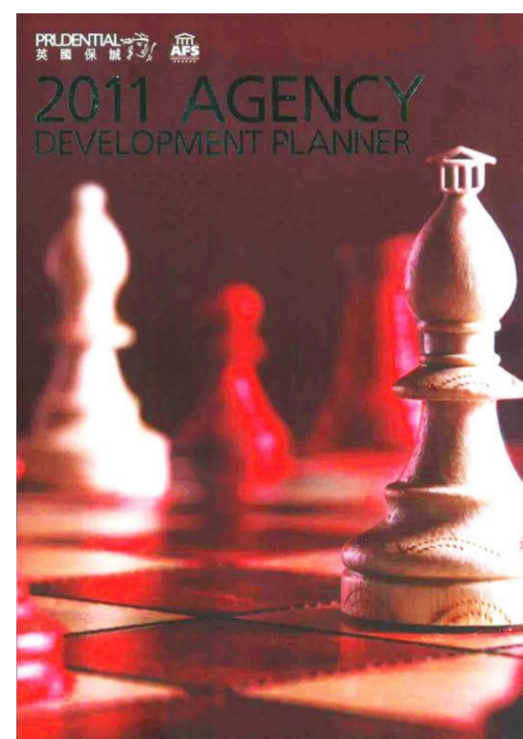
Building

Recruitment Programmes

- Business opportunity programs (BOP)
- Campus and internship programs

Recruitment Activities

- ‘Rookie Start’ development program
- Coaching and experience sharing
- Targeted sponsorship



- A professional agency force of 5,000+ (second largest)
- 15% of total market; growing at 13% p.a. (2006-10)
- Rookies active rate increased 11%, productivity increased 34% (YOY)

Nurturing

Leverage Technology to Enhance Professionalism

- First to launch: ‘iPAD’ comprehensive financial planning tool: integrating advice, sales and servicing
- PruChannel: 24 hour learning and market information channel



- Most productive agency force
- Productivity grew 28% over four years (2006-10)
- APE CAGR (2006-10) of 18%; outpacing market

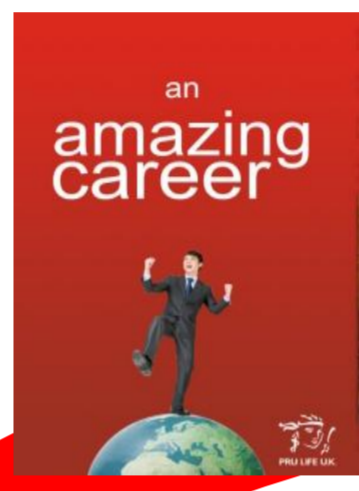
Source: Market intelligence

Priorities in Action: Agency – Philippines

Specialist approach to transform agency growth

Specialist Approach

- ‘Champion’ for specific growth drivers
 - Support Regional Sales ‘on demand’
-
- YTD sales growth at 42%
 - No. of active agents increased 26%
 - Productivity improved 13%



Recruitment Champion
 ‘Amazing Career’ seminars
 +16% growth in recruitment



Rookies Champion
 5 cases in first 120 days
 3 times more new agents selling
 5 / 120

Product Champion
 Drive H&P sales
 +28% growth in H&P APE
 +40% in rider attachment

5 Champions of Agency Success

Leader Development Champion
 PRUChoice & PRULeader
 +52% recruitment



Active Agent Champion
 ‘PRUPattern of Success’
 +53% growth in active agents

Note: Results for Q3 YTD for agency channel

Priorities in Action: Agency – Malaysia

Evolving an unrivaled agency force

Expanding Bumi Agency

The Opportunity

- Largest ethnic race ~65% of population
- Untapped market
- Growing affluence

Strategy – First Mover

- Bumi recruitment targeting professionals
- First mover in Takaful Industry
- Dedicated Takaful Business Training Faculty



- Largest Bumi agency force of ~4,800
- Bumi manpower CAGR (2006-10) of 33%
- Largest Takaful regular premium market share
- Bumi customers' APE CAGR (2006-10) 33%

Source: LIAM, ISM, CIA Factbase

Promoting Professionalism

Professionalise with Wealth Planner

- Advanced training & professional development
- Multiple product lines
- Leading edge technology platform – PRUway
- Invitation to leaders conferences
- Access to elite services



- Most productive agency force; twice industry average
- First to achieve RM1 billion new business sales¹
- APE CAGR (2006-10) of 20% (vs 14% industry)
- 2,000 PWP's; 8 times higher productivity¹



1. Full year 2010

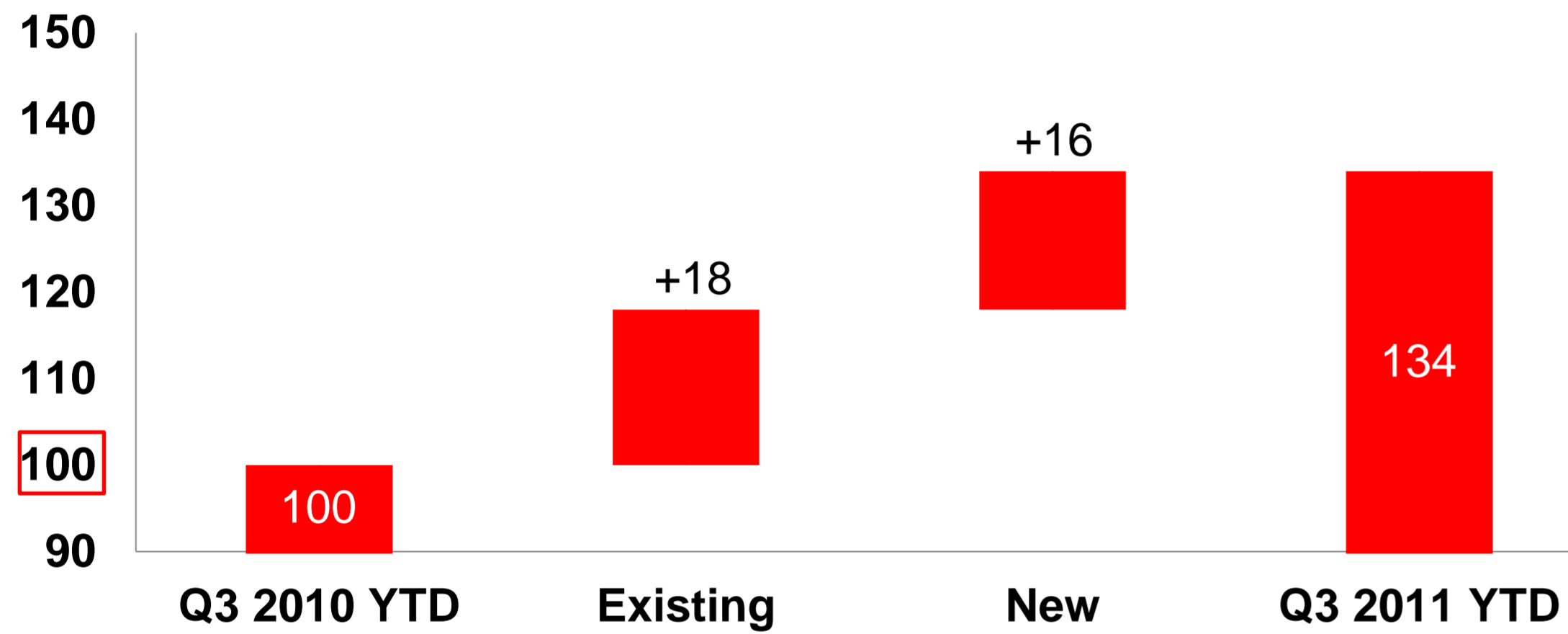
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Partnerships: Outperformance

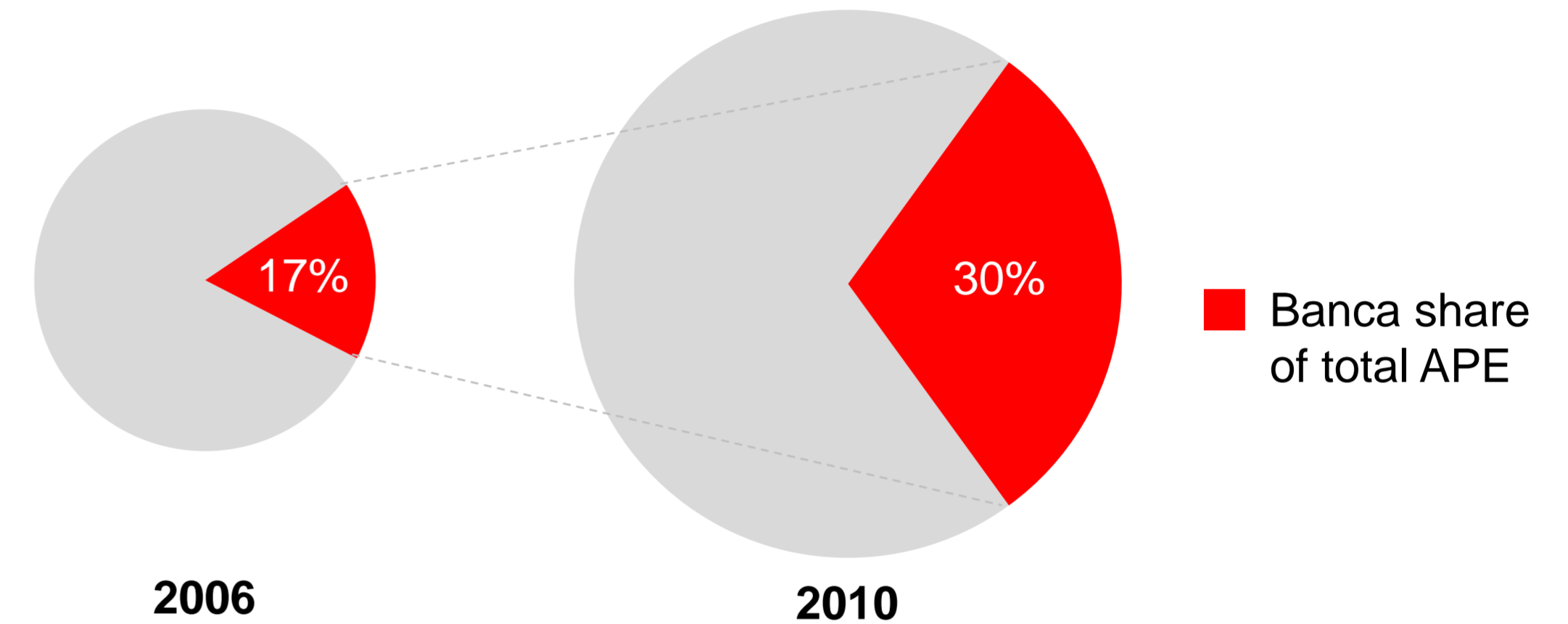
Bancassurance APE Growth



- Sales increased 18% from existing partnerships
- New partnerships (commenced in 2010 and after) added another 16%

Note: Excludes India; prepared on AER basis; excludes DMTM

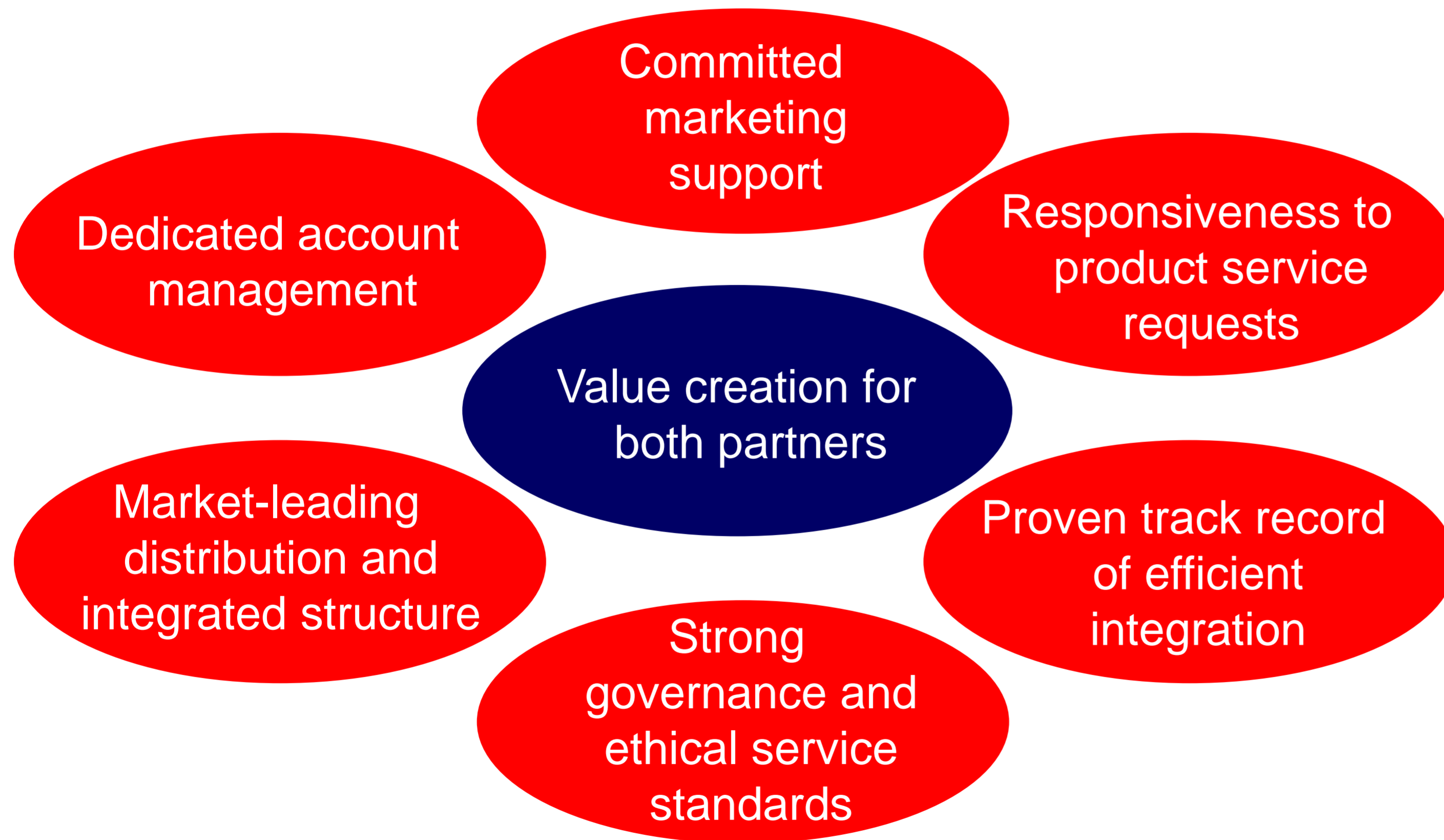
Bancassurance Share of APE



Note: Includes India

Partnerships: Strengthen and Expand

Extensive experience in delivering value for partners

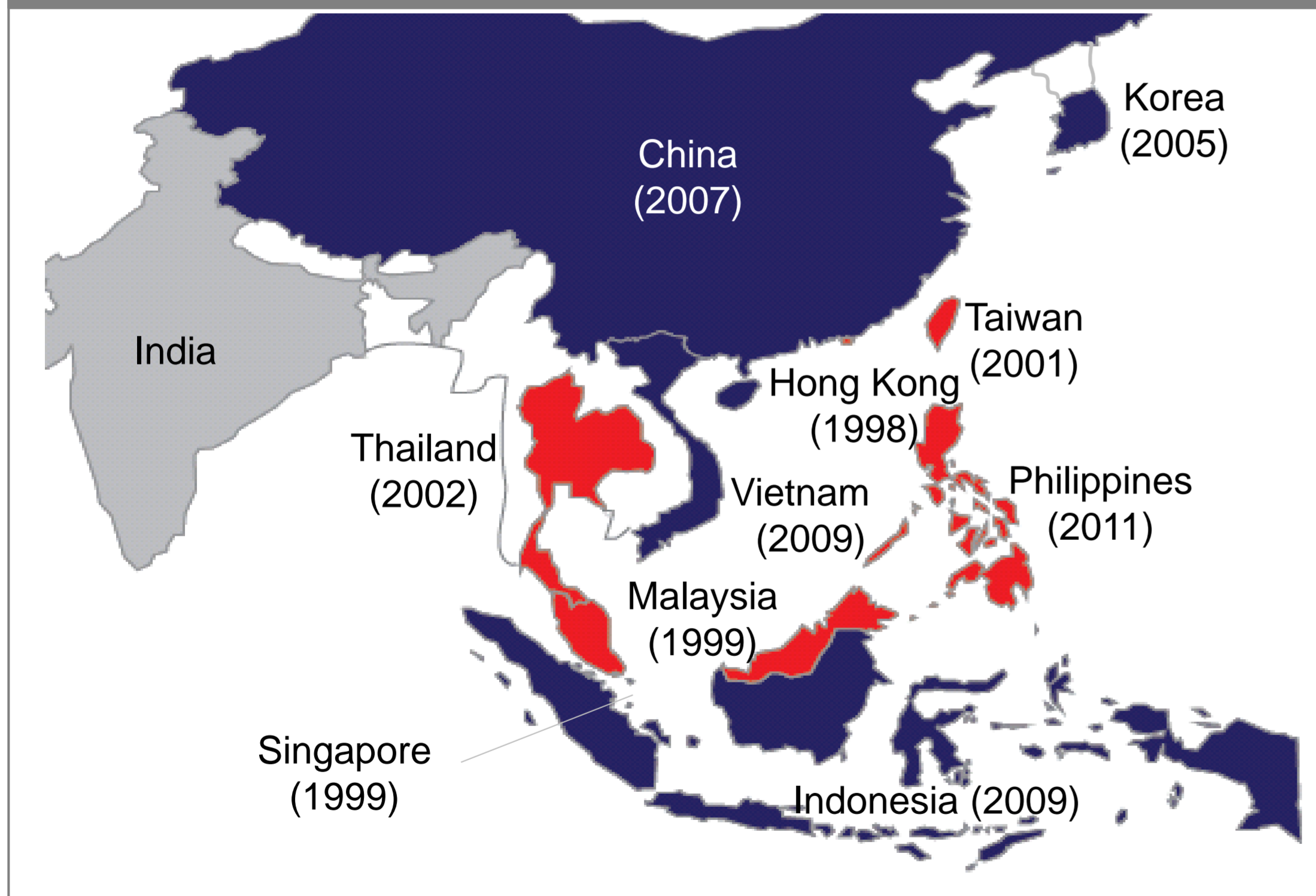








- Bancassurance is a fast growing channel
- Greatest likelihood of enduring success is maximising value creation for both partners
- Key success factors are: execution excellence; and expertise in developing, training and motivating an insurance specialist sales force
- Proven track record with multi-models, multi-partners; well placed to leverage to new partners

Priorities in Action: Strategic Partnership – SCB

Longstanding partnership; delivering long-term value

Momentum Continuing
Q3 YTD Growth of 37%



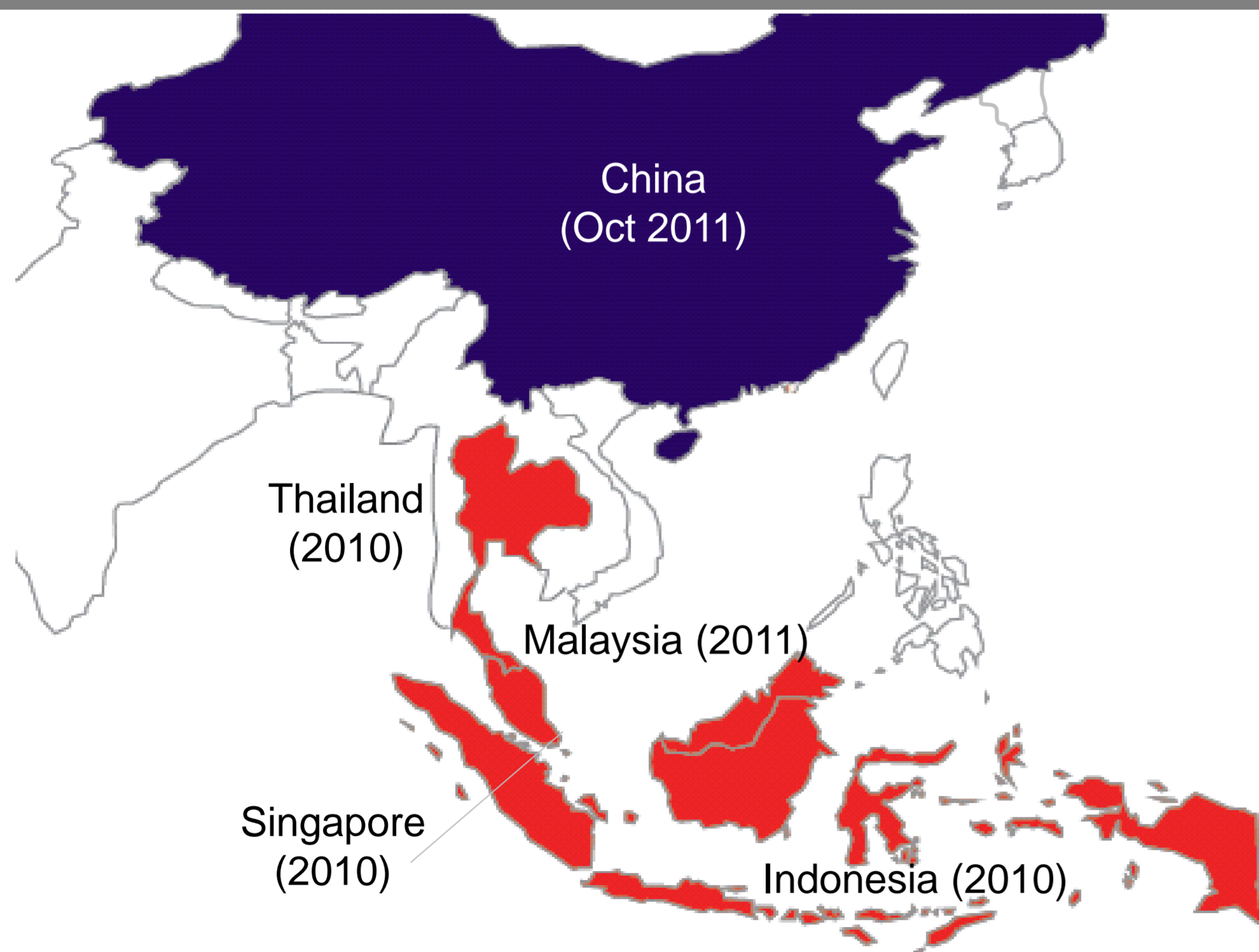
-  First of its kind strategic alliance
-  Longstanding partner; working together in 10 countries
-  Hong Kong: PRU-owned and bank-owned Insurance Specialists focusing on recurring premiums. *YTD growth of 38%*
-  Singapore: Highly productive Insurance Specialists selling regular premium savings and investments. *YTD growth of 60%*
-  Taiwan: Offering simple insurance solutions to mass affluent by CRM. *YTD growth of 37%*
-  Philippines: Latest addition to the long-term partnership

Note: Prepared on CER basis; from face-to-face channel; Results for Q3 YTD

Priorities in Action: Strategic Partnerships – UOB

Efficient implementation; creating immediate value

Accelerating Growth
Q3 YTD Growth of 146%



- Regional partner since 2010
- Strong collaboration with fast efficient implementation
- Added Malaysia and China in 2011
- Singapore: Successful implementation for Retail Bank; extending to Corporate Bank. *YTD growth of 158%*
- Thailand: Offering regular premium products via bank staff (CRM). *YTD growth of 39%*
- Indonesia: Adapted (to new regulatory requirements) the Insurance Specialist model focusing on investment linked
- Malaysia: Added in 2011; completed implementation within 2 weeks

Note: Prepared on CER basis; from face-to-face channel; Results for Q3 YTD

Priorities in Action: Partnerships – Win-Win Formulae

Collaboration with local partners to drive incremental value

Philippines Virtual Joint Venture



- Sharing experience gain / loss enables more flexible design
- Alternative way of facilitating long-term partnership
- Encourages good persistency
- More than just a product provider

Thailand Strategic Product Offering



AYUDHYA
CAPITAL SERVICES

- Launched first-in-market medical product with large credit card base
- Offers strategic niche product proposition for partner
- Provides customers protection for medical needs

Priorities in Action: Multi-Partnerships – Singapore



Effective management across multi-partners



Tapping across a variety of customer segments in different socio economic classes

Result:

- #1 in bancassurance (YTD Q3 2011)¹
- 5th largest on standalone basis¹
- YTD Q3 growth of 96%

Products

- Tailored to customer profiles
- Co-branded marketing collaterals for unique customer proposition

Customers

- Collaborate to develop comprehensive contact strategy
- Deepen penetration and enhance repeat sales activities

Partner Engagement

- Senior management engagement
- Adapt to partner's internal processes
- Dedicated sales management and back-end support

Distribution

- Align model to complement partner
- Tailor-made training modules
- Robust recruitment process – right fit
- Cross-channel movement discipline

1. Source: LIA, based on weighted premium

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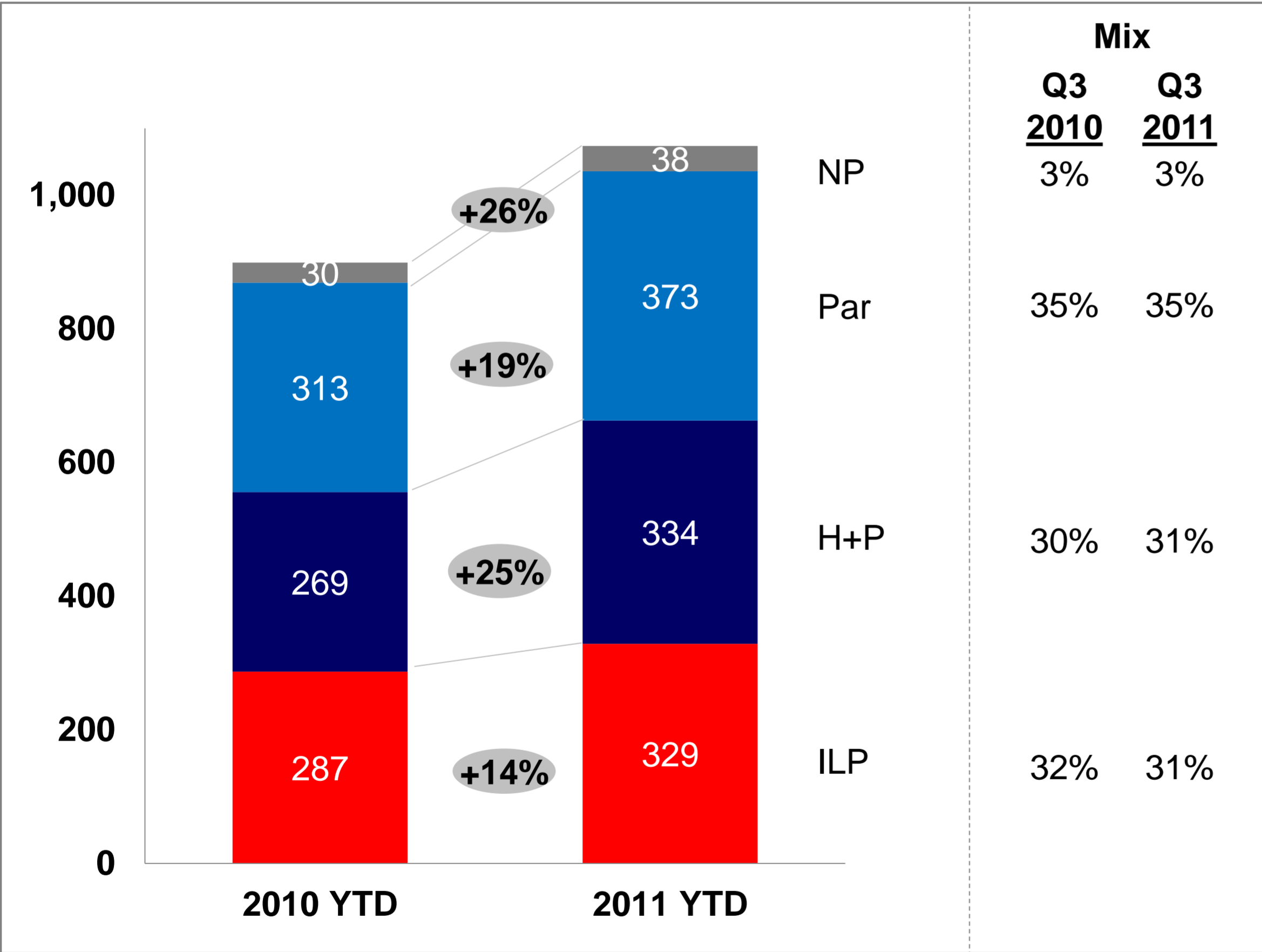
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Product Management: Balanced Portfolio



Innovate and focus on 'value over volume'



Note: Prepared on AER basis; excludes India and Japan; Results for Q3 YTD

- Full suite product offering tailored to capture opportunities for 'all seasons'
- Disciplined pricing and focus on 'value over volume'
- Track record of product innovation – keeping abreast with fast changing customer needs; sharing of product ideas across markets
- Drive sales force activities through integrated thematic marketing campaign
- Creative product packaging for effective customer reach

Product Management in Action – Malaysia

Integrated thematic product marketing to spur sales activities

Life Stage – Generation Y

PRUlife ready

‘R U Ready?’

- Gen Y – largest segment of population
- Desire to be financially independent, achieve own aspirations and fulfill family obligations
- Evolving life stage savings & protections needs
- Marketing: peer-oriented – stimulate ambient via people/ social media advertising, user-generated music video
- Over 26k Facebook fans since Jul’11



Google

YAHOO!

twitter

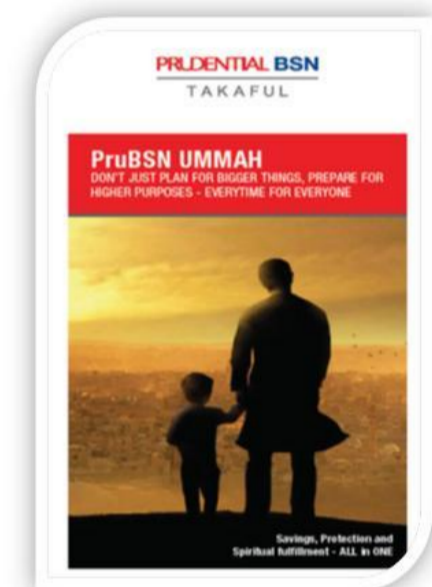


Spiritual – Hajj

PruBSN Ummah

‘Savings, Protection and Spiritual Fulfillment – All in One’

- Muslim – represents 60% of population
- Spiritual needs for Hajj / Ummah
- Worldly needs for protection and savings
- Preference for Syariah compliant products
- Marketing through various medium including radio, billboard and taxi shelters
- Over 8,000 certificates



Product Management in Action – Vietnam

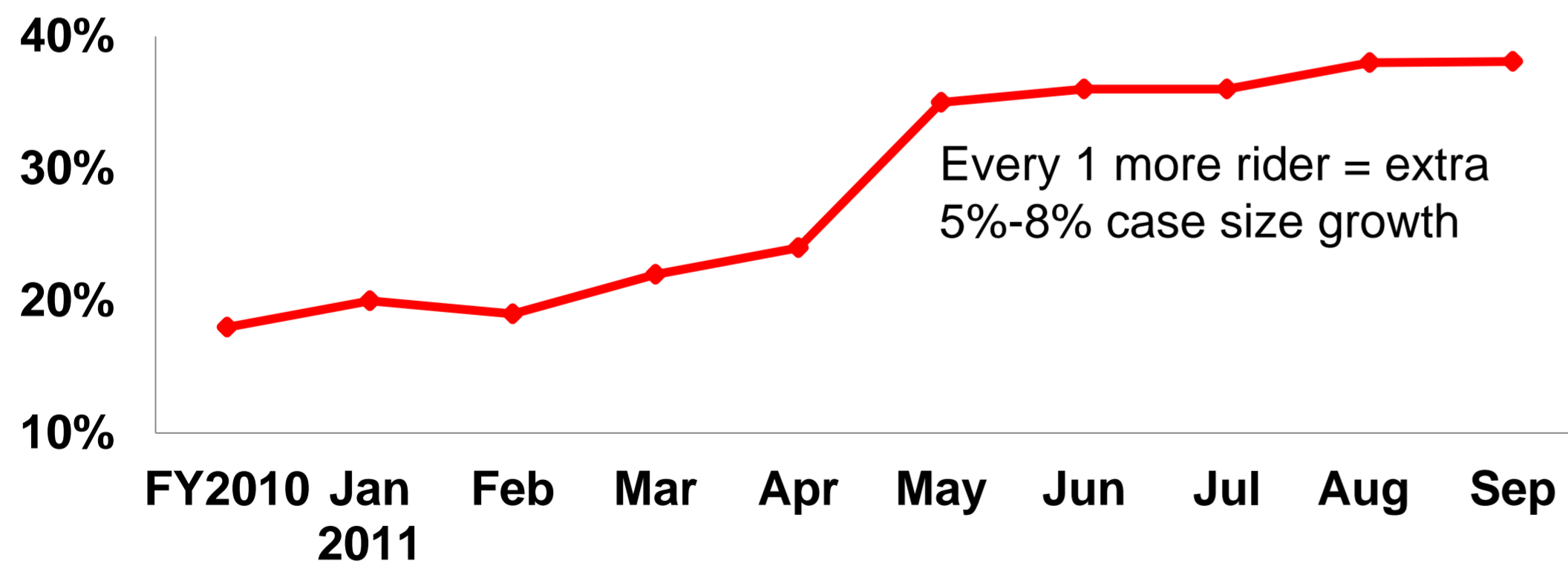
Product packaging as profit driver; starting at on-boarding



PHU-TOAN GIA AN PHUC
Linh hoạt trong lựa chọn, bảo vệ trọn tương lai.



% cases with 5+ riders



- Compelling all-in-one ‘Family Protection’
- Flexible ‘add-on’ to existing plan; for any family members
- ‘Soft’ product packaging, supported by sales tools and marketing campaigns
- Training starts at ‘on-boarding’
- Sharing workshops with “rider” expert for top agents
- Driving higher H&P mix

Results (Q3 YTD)

- Average monthly riders APE increased by 51%
- Over 35% of new cases with 5 riders or more

Product Management in Action – Hong Kong

Leveraging analytics to deepen customer value and stickiness



PRUDENTIAL 英國保誠

主頁 | English

一站式搬屋方案

推廣優惠 ▶ 保費計算機 ▶

第一步 搬屋前

- 收取最後一期水電煤費單並取消現有服務
- 為新居開設新帳戶

第三步 通知

- 通知各方你的新地址
- 郵件轉遞

第三步 入伙

- 避免陌生人闖進你的家
- 清潔及家傭服務

Micro website

恭祝您喬遷之喜！

願您的家充滿愛、快樂與健康。

唯您尊享

推廣期: 2011年5月16日至12月31日

凡於上述推廣期間新投保任何以下我們的指定推廣產品*之一，您便會就每項成功新投保獲得港幣\$100之宜家傢俖現金禮券*乙張：

保誠精選「家居寶」▶ 保誠精選「僱傭寶」▶

立即行動，獲享我們的精彩優惠！請聯絡您的理財顧問查詢詳情。

更多詳情 ▶

免責聲明和知識產權 | 私隱政策 | 保安政策

- Drive value across customer life-cycle chain
- Sophisticated propensity model product offering, support distribution with leads, marketing campaigns & customer services
- Movers Campaign
 - Change of address as key touch point
 - eCards / mini-website with house moving tips
 - Product promotions as ‘House Warming Gift’
 - Product fit – propensity for take up
 - Channel Support – Agency (repeat sales) and Bank channel (leads referral program)

Results (Q3 YTD)

- Customer repeat sales rate: 55%

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Operational Management

Operating Value Drivers

Persistency

Manage persistency over economic cycles

- Promote non-cash payment
- Persistency metrics in compensation
- Product features to shape customer behaviours

Expenses

Improve expense position and optimise efficiency

- Outsourcing and automation
- Leverage technology for sales force support and customer service
- Drive office space efficiencies

Claims

Robust claims management platform

- Strengthened technical expertise
- Upgrading claims systems
- Disciplined approach to monitoring and re-pricing

Priorities in Action: Operational Management – Korea



Focusing on niche segment for disciplined and sustainable growth

Strategic Focus / Priorities

Evolve agency model to gain efficiency

- Implemented a complementary and cost efficient agency force
- Launched 'build up' recruitment programme

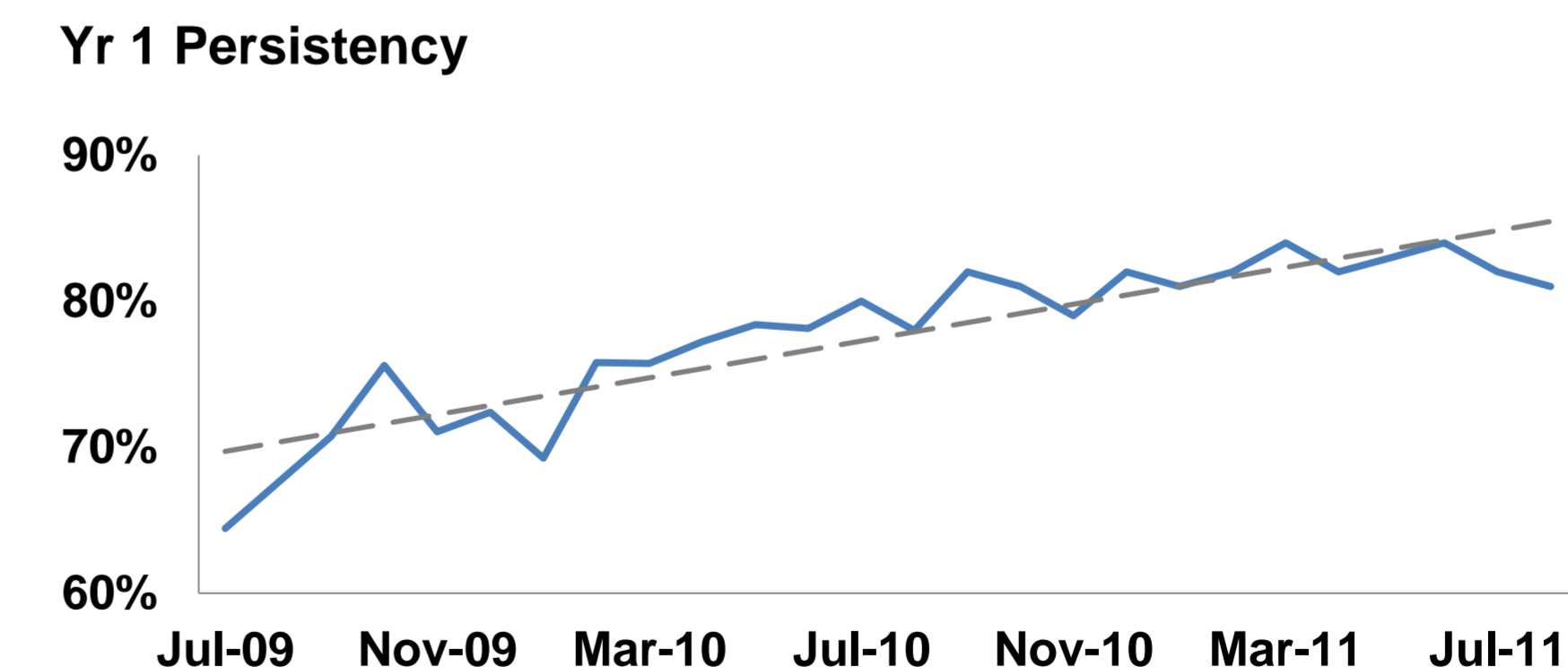
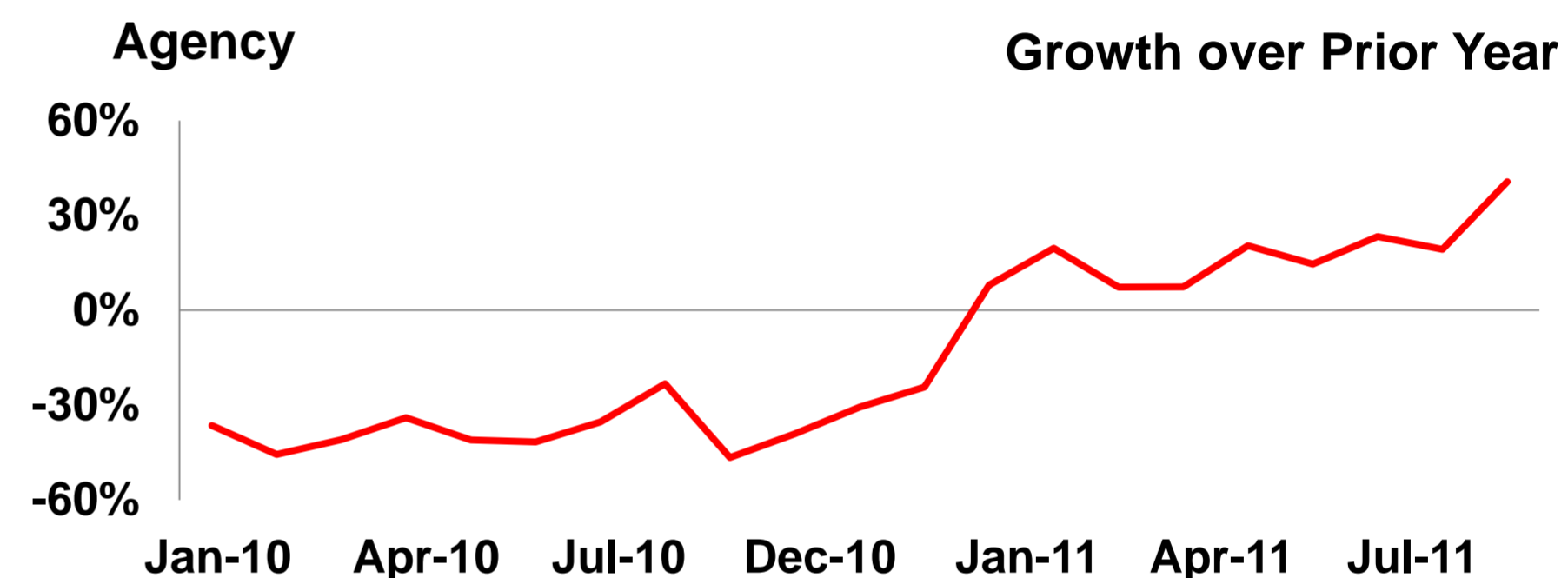
“Value over volume” product focus

- Strengthening product marketing capabilities
- Maintaining VUL leadership and expand H&P
- Selective engagement of partners

Discipline and efficient management (PEC)

- Adjusted product features to shape policyholders' behaviour
- Strengthened compensation to drive persistency
- Disciplined office management to drive cost efficiency

Results



Priorities in Action: Persistency Management – Malaysia



Sustain premium persistency amidst volatile market conditions

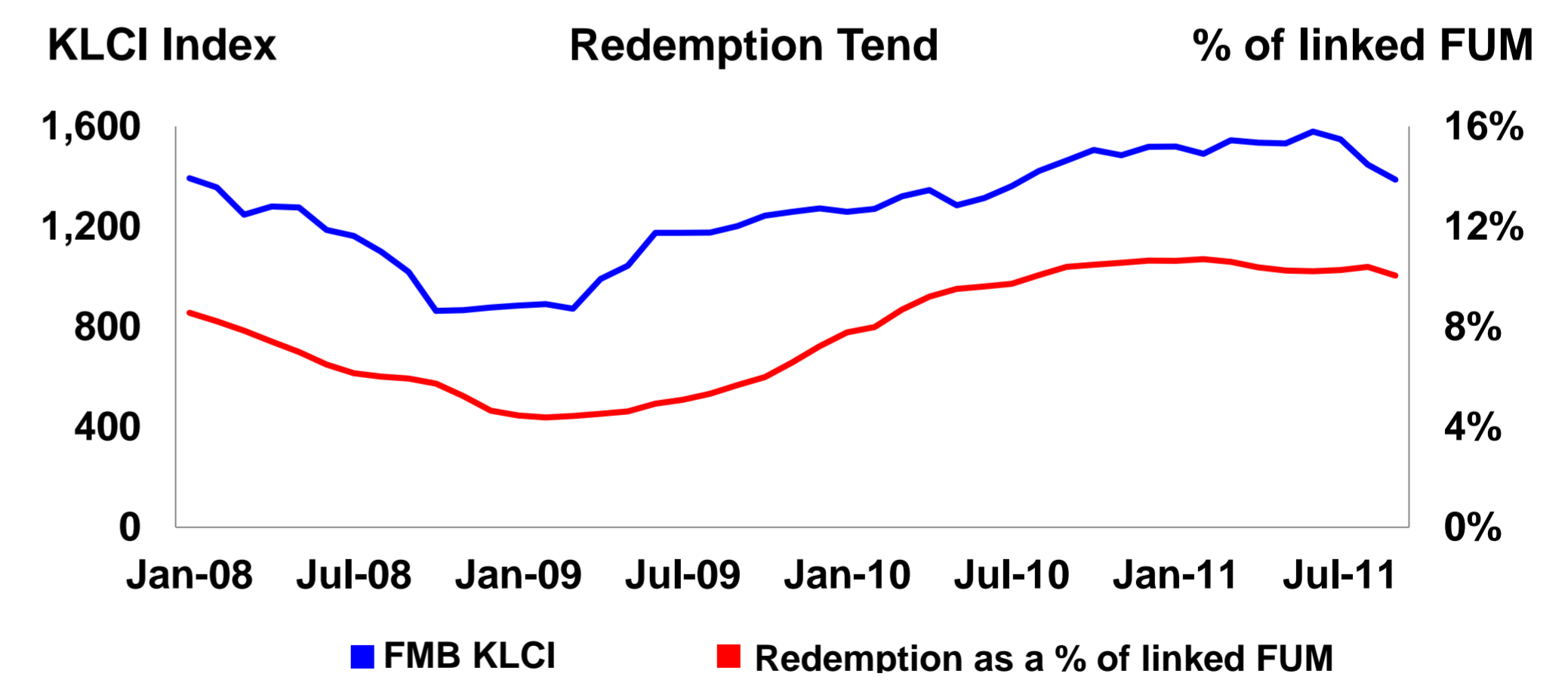
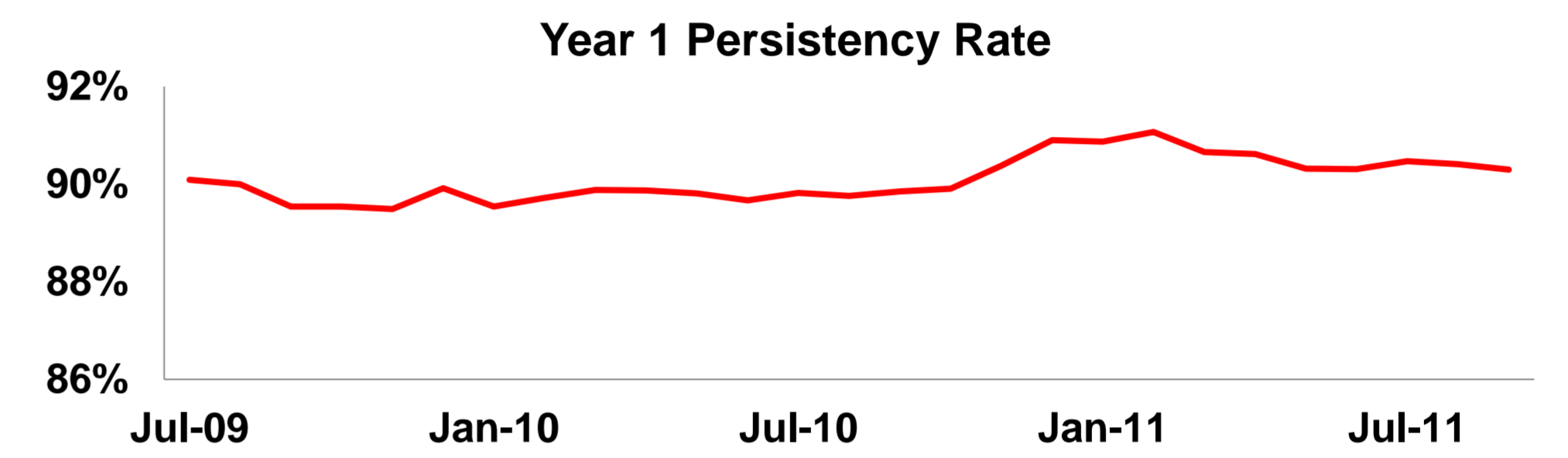
Robust Premium Persistency

- **Preventive approach:** non-cash; innovative product features; compensation with persistency measure; enhanced funds performance and customer experience
- **Corrective approach:** conservation calls and SMS reminder
- Surrender rate¹ in line with the industry average: 2.5%

Redemptions from Optional Top-up

- For secondary lumpy savings needs; flexible redemptions
- Redemptions are opportunistic and volatile
- Nearly all redemptions from top-up accounts; minimal withdrawal experience from core product set
- Net Flows² for linked improved 44% YOY³

Results



1. Source: Annual Insurance Statistics 2010 by BNM; Surrender rate: ratio of the total annual premiums discontinued by surrender in the year to the annual premiums in force at the beginning of the year
 2. Net Flows: Increase in policy holder liabilities after deducting upfront charges and after extracting insurance income reduced by the withdrawals
 3. Results comparison are for YTD Q3 and prepared on CER basis

Priorities in Action: Expense Management – Indonesia

Optimising efficiency to support a growing portfolio

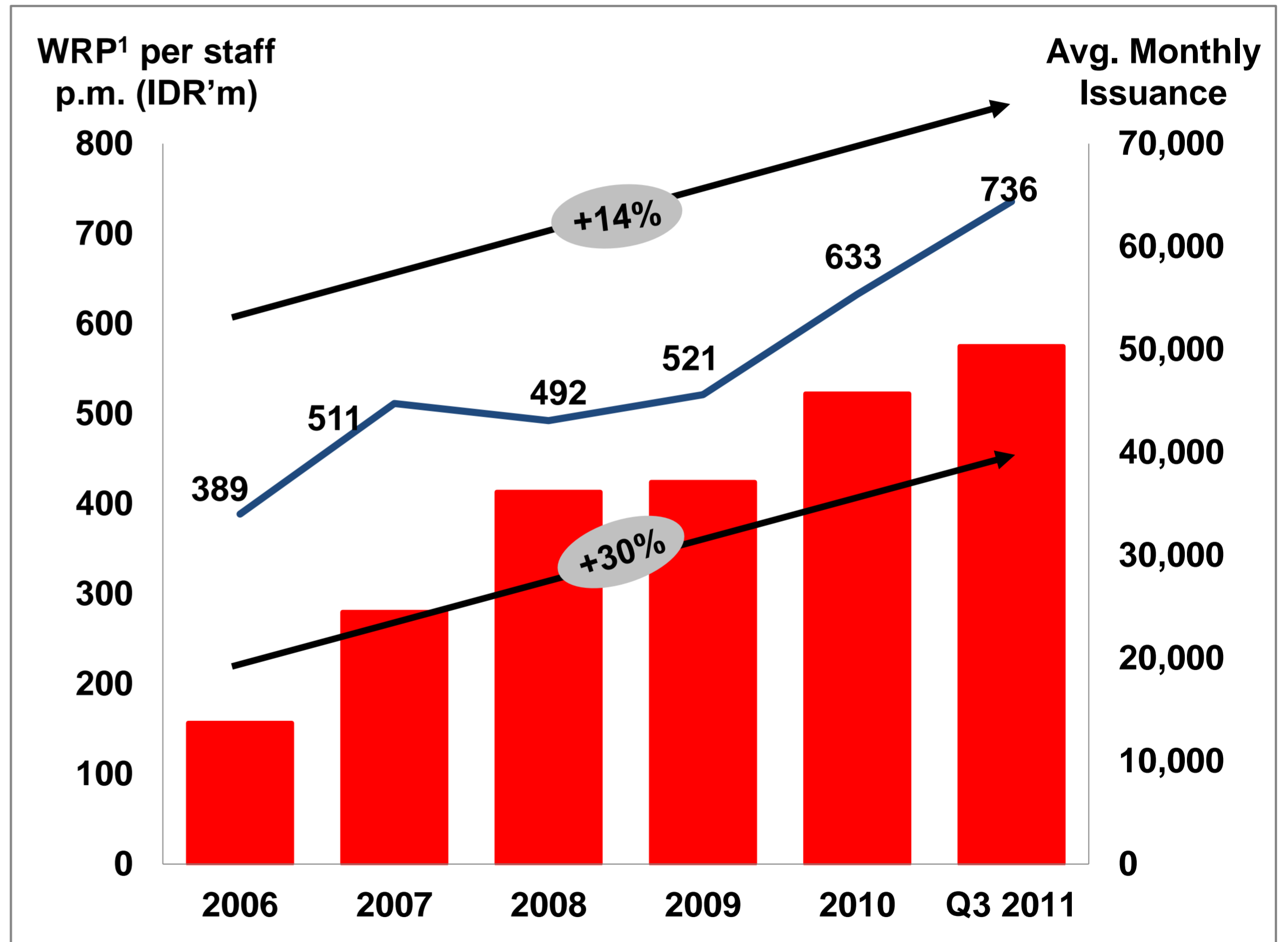
Expense Management

Back office transformation to optimise efficiency

- Outsource routine non core 'administrative' functions
- Automation: enhanced auto-underwriting and workflow to cope with scale
- Technology platform: PRUaccess mobile, RAISe, unified communications to encourage self-service for agents and customers

Results

- Policy issuance tripled in 5 years to ~50,000+ per month
- Improved staff productivity (revenue per staff p.m. up 63% over 4 years)



1. WRP – Weighted Revenue Premium

Priorities in Action: Claims Management – Indonesia

Extending product experience from 'at sales' to 'after sales'

- Launched in April 2011 with 4 hospitals in Jakarta
- PRUhospital friend (PRU staff) placed in hospital to assist customers and agents from admission to discharge
- Delivery of 'best-in-class' customer service for more effective and efficient claims process and approval
- Increase customer satisfaction and assist with better understanding of policy benefits
- Expand further in Jakarta to 6 others and another major 3 cities



Rp 9 miliar klaim & manfaat per hari* kami bayarkan.

PRUDENTIAL

Untuk Anda kami tak kenal waktu, tak kenal lelah.
Because it's all about you!

*Rata-rata per hari tahun 2010

Customer Line: 500085 | www.prudential.co.id
www.facebook.com/PrudentialIndonesia

'Because It's All About You!'

PRUDENTIAL

Sahabat itu seseorang yang tak pernah mengecewakan Anda. Seseorang yang bertepuk tangan paling keras dan tak pernah menertawakan mimpi-mimpi Anda.

Seseorang yang mengerti Anda, kadang lebih dari Anda sendiri. Seseorang yang bisa menyimpan rahasia dan selalu ada di saat-saat tersulit.

PRUhospital friend bagaikan sahabat yang siap membantu di masa-masa sulit di rumah sakit. Kami siap membantu semua urusan klaim asuransi Anda di rumah sakit, sehingga Anda hanya perlu memikirkan bagaimana bisa cepat sembuh. PRUhospital friend berada di beberapa rumah sakit ternama di Jabodetabek dan akan terus bertambah sampai 10 rumah sakit di tahun 2011. Because it's all about you!

Untuk informasi rumah sakit dengan layanan PRUhospital friend, klik www.prudential.co.id. Layanan ini untuk Anda, hubungi kami melalui PRUhospital friend.

PT Prudential Life Assurance
Phone: +62 21 2995 8888 | Fax: +62 21 2995 8800 | Customer Line: 500085 | Website: www.prudential.co.id | Email: customer.idn@prudential.co.id

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Priorities in Action – China



**Recent slowdown due to tightening of bancassurance regulation ...
We pursue disciplined geographic expansion and true multi-distribution**

Building Sustainable Scale

Multi-distribution

- Agency: strengthen fundamentals and drive recruitment via selection
- Banca: reinforce differentiated management of branches

Operational efficiency

- Efficient set up of sales offices

Geographical in-depth expansion

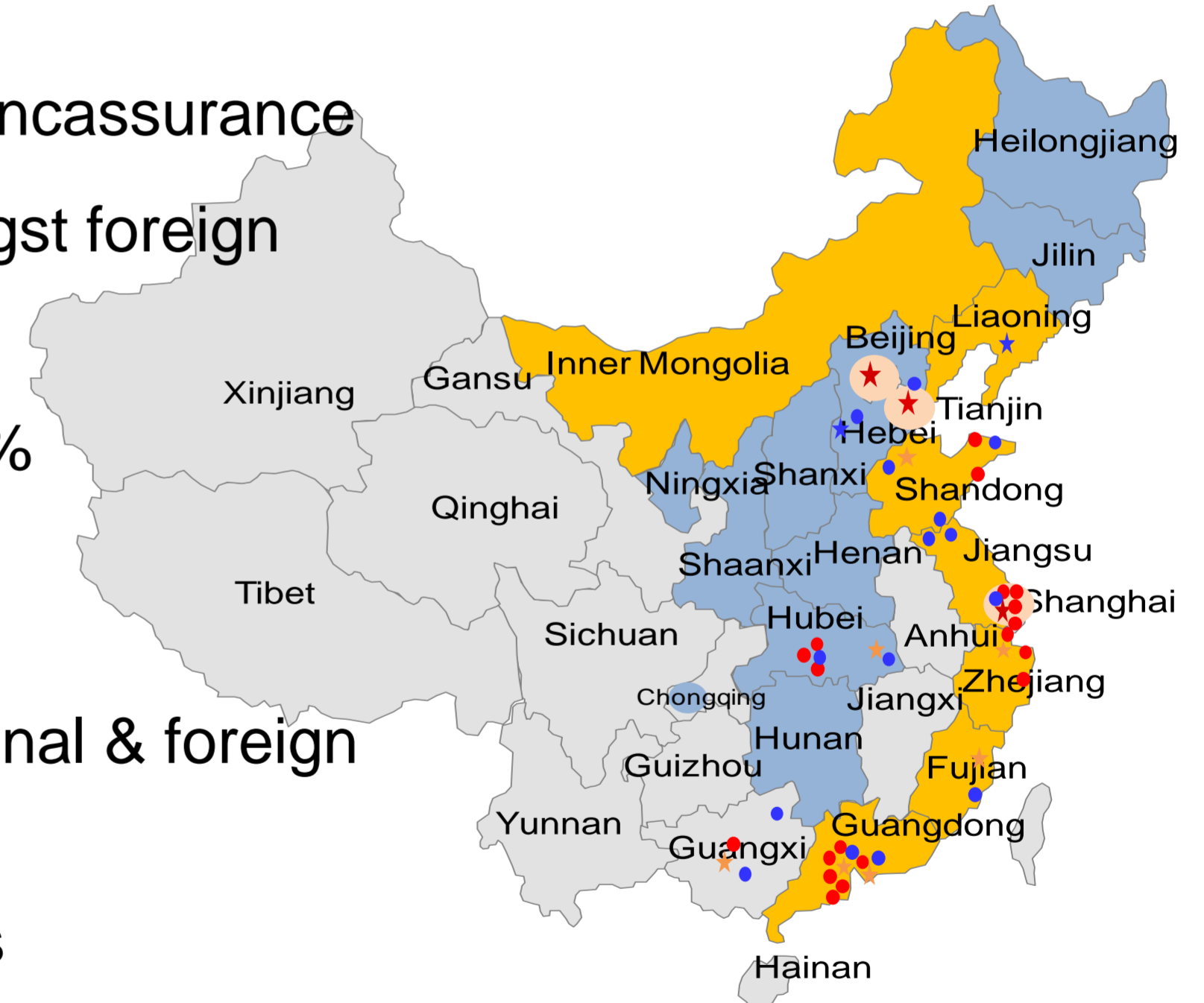
- Deepen reach within existing branches

People

- Develop middle and above management team

Results

- Truly multi-distribution
 - 52% Agency / 47% Bancassurance
- 11% market share¹ amongst foreign
- Agency: building scale
 - Recruits increased 29%
 - Attrition improved 22%
- Bancassurance:
 - Diverse: national, regional & foreign
- Disciplined geographic expansion in 13 branches



1. Data source: Industry share data

Priorities in Action – India



Consolidation after regulatory change... Reform, in the medium term, better for the industry

The New Paradigm

- Products: evolving mix
 - Expanding product suite
- Distribution: efficiency
 - Agency - earnings and productivity
 - Banks - emerging as another key channel
- Operations: leverage infrastructure for efficient cost structure
- Financial: profitability impact / capital strain

Our Strategic Focus

- State empowerment and leadership
- Product: balance portfolio to meet customers' needs / segments
- Distribution
 - Agency: focus on selection
 - Banca: deepen relationship
- Optimise efficiency
 - Rationalise excess infrastructure
 - Leverage technology / automation
 - Vendor management
- Persistency management
 - Product structure
 - Compensation and training

Progress so far...

- Remain a top insurer within private sector
- State level leadership in top 20 cities, focusing on top 50
- Agency: active manpower stabilised
- Balanced channel mix (49% Agency, 24% Banca, 12% Brokers, Group 11% & 4% Others)
- Mix from linked reduced to 52% YTD (compared to 90% in prior year)
- Expense ratio at 15.4% YTD (17.3% for prior year)

Note: Results for Q3 YTD

Agenda

- Overview
- Our Platform: Competitive Strength and Diversity
- Our Strategic Priorities and Track Record
- Our Priorities In Focus
- In Summary



Summary – Well Positioned to Deliver

We are in the RIGHT place at the RIGHT time

- Asia is a source of strong growth opportunities with increasing wealth creation and favourable demographics

With the RIGHT platform

- Prudential has an advantaged platform for sustainable growth in Asia given its scale, diversity and leadership positions

Most important, the RIGHT people

- Proven track record of delivery on multi-dimensional metrics
- Internal succession and strong diversity of successors
- Building long-term pipe-line with an increased focus on local talent