

Prudential Malaysia

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Chief Executive Officer

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Key Messages

- Top player in the industry with 21% market share
- Leader in product innovation, emphasis on protection
- Highly successful agency driven by growing scale and superior productivity
- Growing prominence of bancassurance through new partnerships
- Malaysian life insurance sector set for sustained growth, Government initiatives to drive macroeconomic growth and insurance penetration
- Historic milestone of >RM1bn APE in 2010
- Driving profitable growth through disciplined management of value drivers

Agenda

- Market Overview
- About Prudential Malaysia
- Business Priorities
- Summary

Macroeconomic Environment

Strong insurance growth supported by attractive economic fundamentals

Key Economic Indicators

	2007	2008	2009	2010	2011F
Real GDP Growth (%)	6.5	4.8	-1.6	7.2	5.2
Nominal GDP (US\$ bn)	187	223	193	238	248
GDP per Capita (US\$)	6,879	8,088	6,920	8,423	8,617
Population (m)	27.2	27.5	27.9	28.3	28.7
Gross National Savings (%)¹	37.5	37.0	30.9	32.9	33.1
Insurance Penetration (%)¹	3.1	2.7	3.3	3.4	3.5

1. As % of GDP

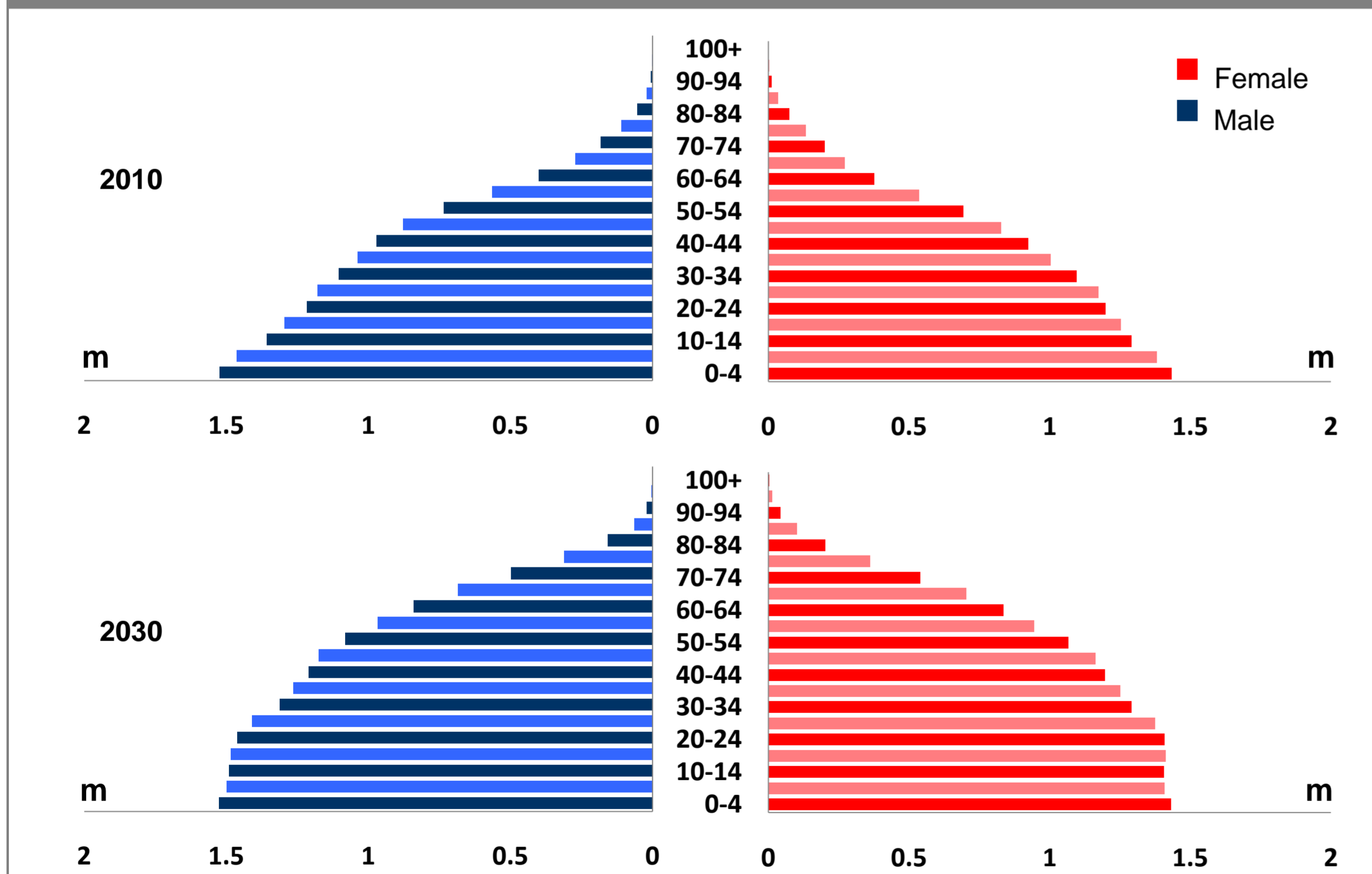
Source: IMF for macro data, Swiss Re for insurance penetration (ETP 2010 insurance penetration uses difference source)

- Strong GDP growth expected to continue into 2012, fuelled by domestic consumption and investment acceleration
- Economic Transformation Programme (ETP) for Malaysia to be a high income nation by 2020
- Significant growth opportunity as ETP targets insurance penetration from 2.8% (2010) to 4% of GDP, increasing population coverage from 55% to 75% by 2020
- 3rd largest global market for Syariah Assets with plans to be a global hub for Islamic Finance – significant Syariah opportunity

Demographic Environment

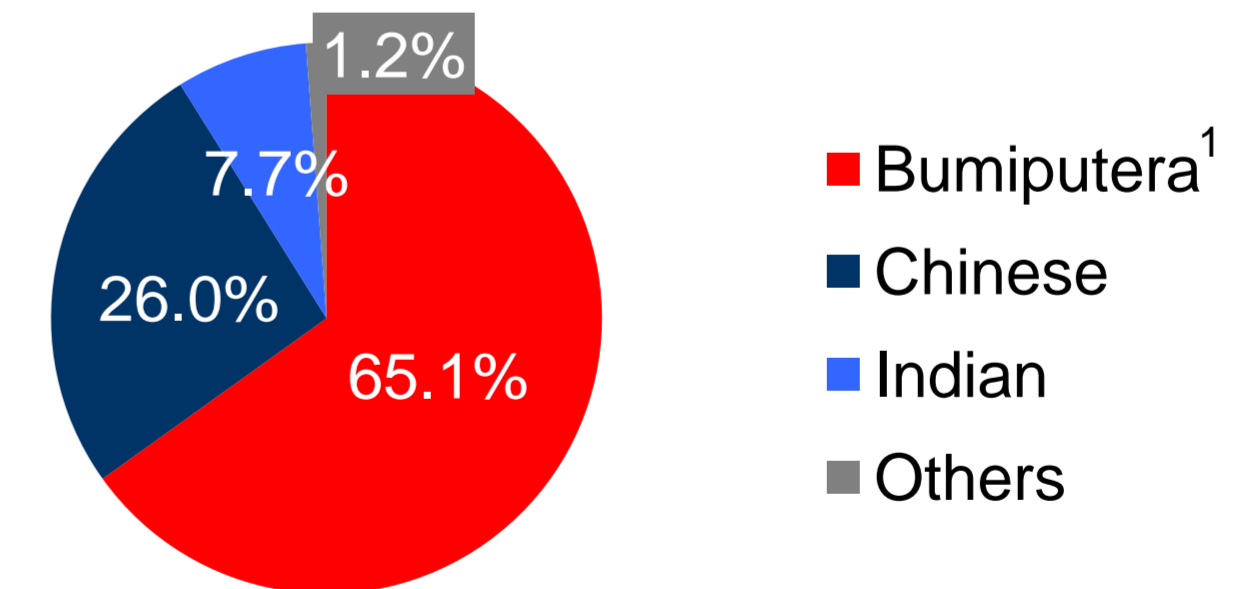
Malaysia's population is young and ethnically diverse

Population by Gender and Age Group (2010 vs 2030)



- Young population (almost 40% below 20 years), increased purchasing power as young enter workforce driving demand for savings and protection
- Population 55+ years projected to reach 20% by 2030, driving growing retirement needs
- Multi-racial, predominantly Bumiputera and Chinese

Ethnicity

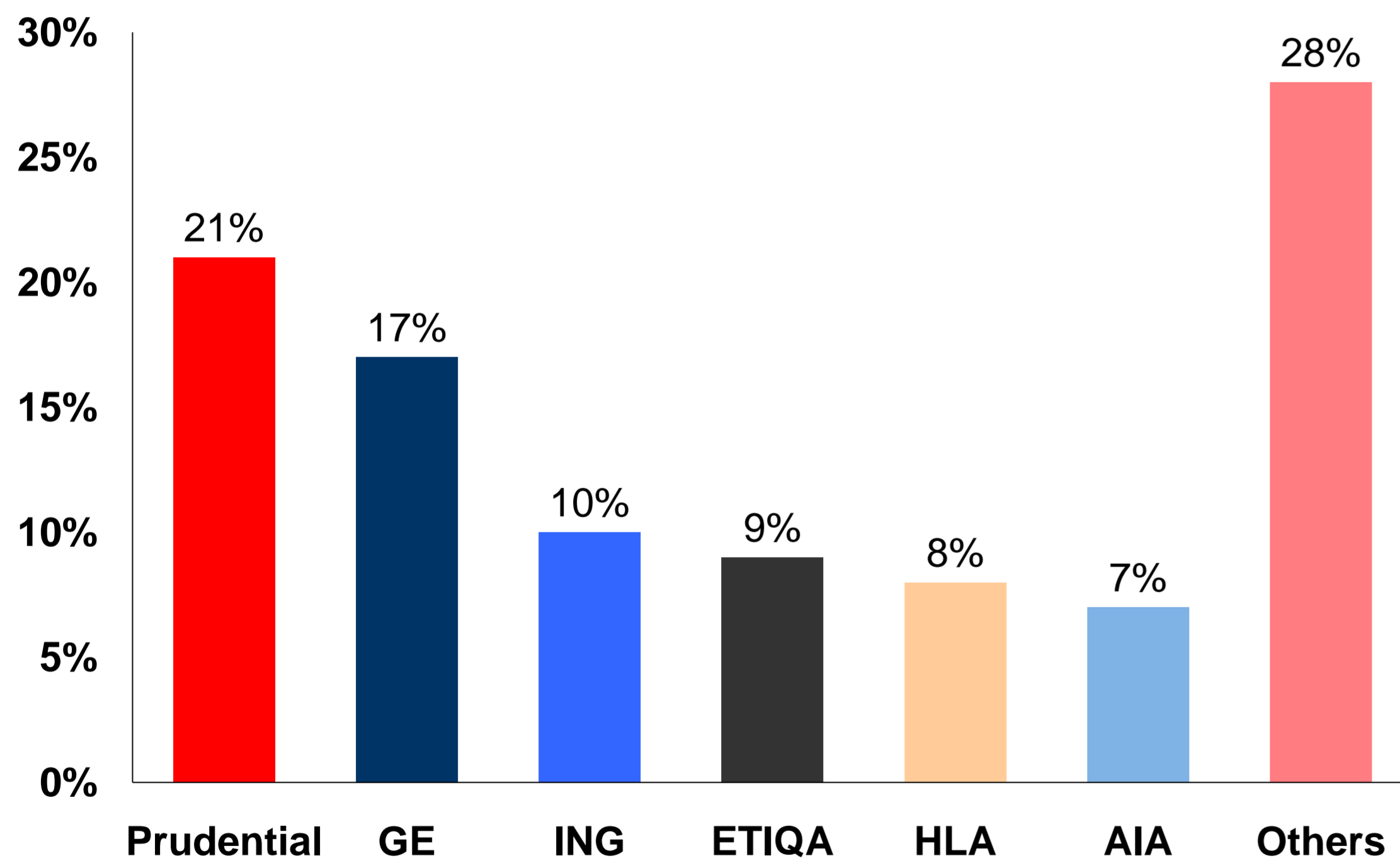


1. Bumiputera comprises Malays and indigenous population
Source: BNM, CIA Factbook, US Census Bureau

Life Insurance Industry Overview

Prudential continues to be the market leader with 21% share

Market Share of Leading Players (H1 2011)



- Top 6 companies have 72% market share (4 foreign players, 2 local)
- Traditional savings products have dominated but health and investment linked products increasing
- Positive regulatory environment, focus on customer protection
- Market dominated by agency but bancassurance growing rapidly
- Recent changes in bancassurance regulation allowing insurers to tie-up with multiple partners
- 4 new family Takaful licenses issued in 2010, bringing the total to 12 players
- Takaful market share is 17% of total life industry APE

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About Prudential Malaysia

History of market leadership in Malaysia, established in 1924



Gold Effie Winning
PRUMyChild campaign



PRUKasih

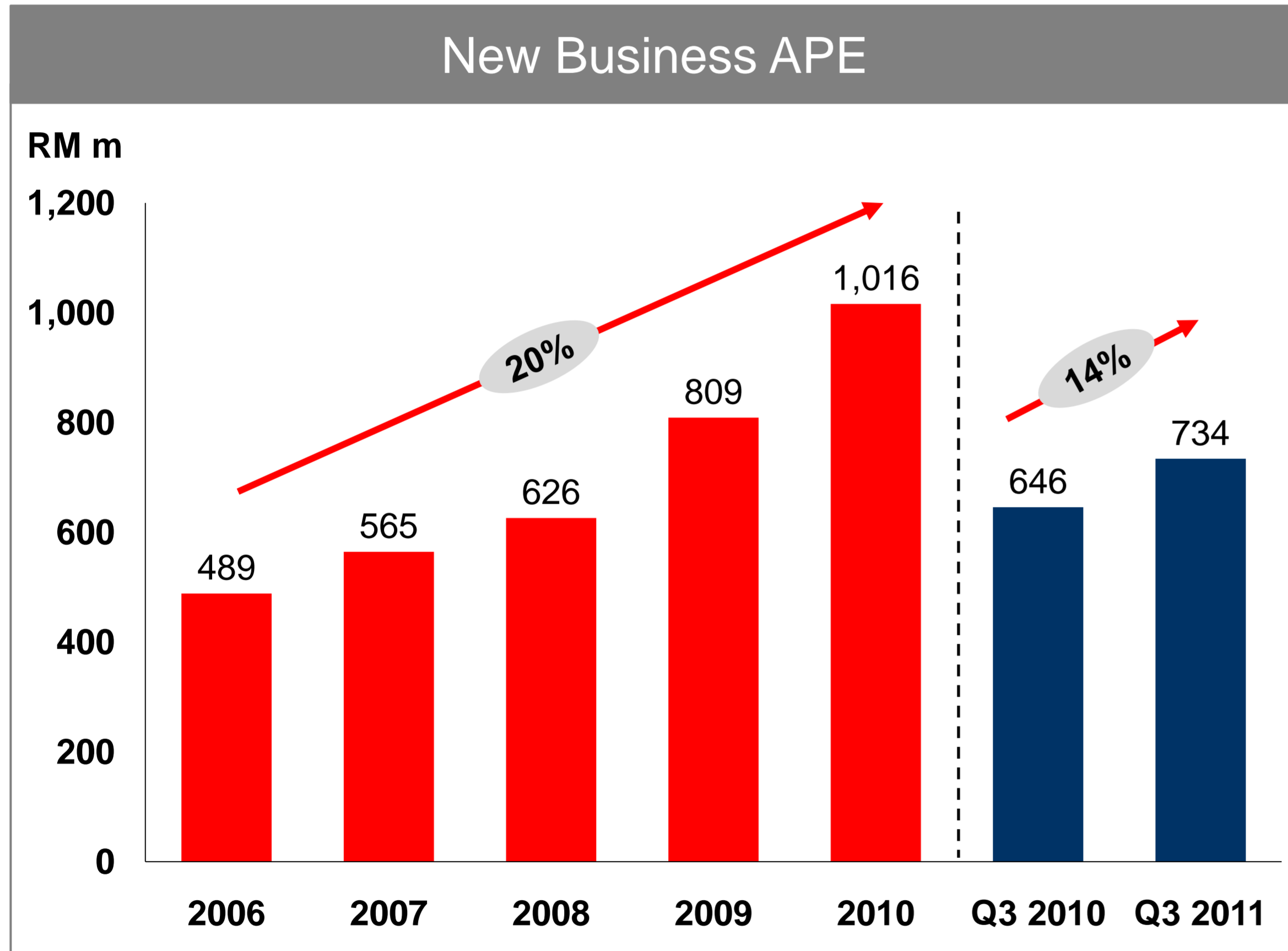


Leading Graduate Employers Award
2011

- Strong track record of product innovation
- #1 insurance brand in all categories, including Trustworthy company, Understands & cares for customer needs, Innovative products and Professional sales people
- Today we have
 - Almost 1,500 staff and over 14,000 agents
 - 42 branches nationwide
 - More than 1 million customers
 - More than 1.6 million policies
 - Above RM14 billion of assets under management
- One of the leading Graduate employers
- Multiple CSR initiatives
- Staff participated in Mosaic International Summit 2011, offering young Muslims leadership development opportunities

Performance: New Business Outperformance

First insurer to cross the RM1 billion APE threshold in 2010

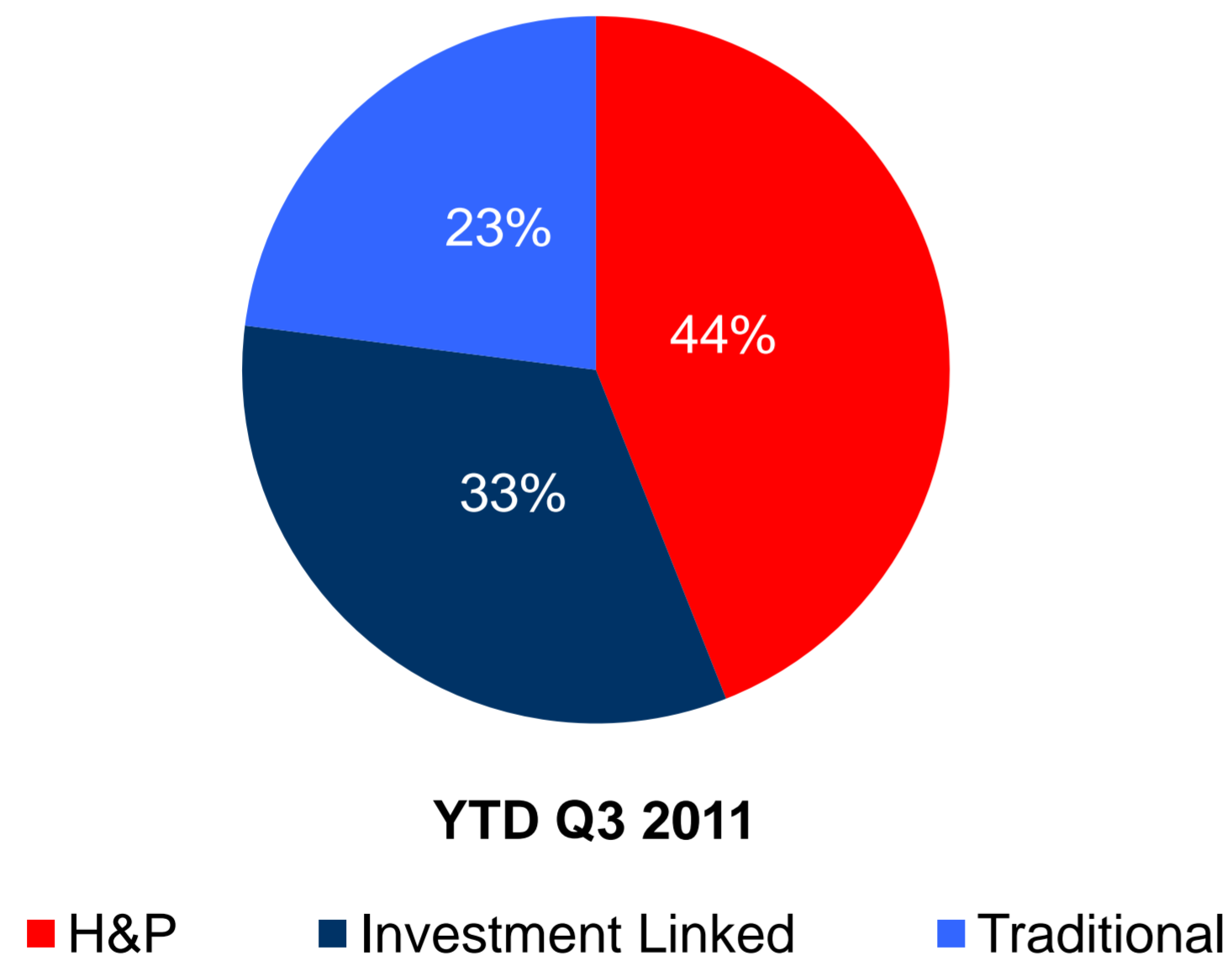


- Consistently outperformed with 20% APE CAGR (2006-10)
- YTD Q3 2011 growth of 14%
- First to market with multiple innovative products
- Gained first mover advantage in early 2006 in recruitment and mobilisation of Bumi agency force to target significant Takaful potential

Performance: Product Strategy Driving Profitability

Focus on H&P driving attractive new business profits

APE Product Mix

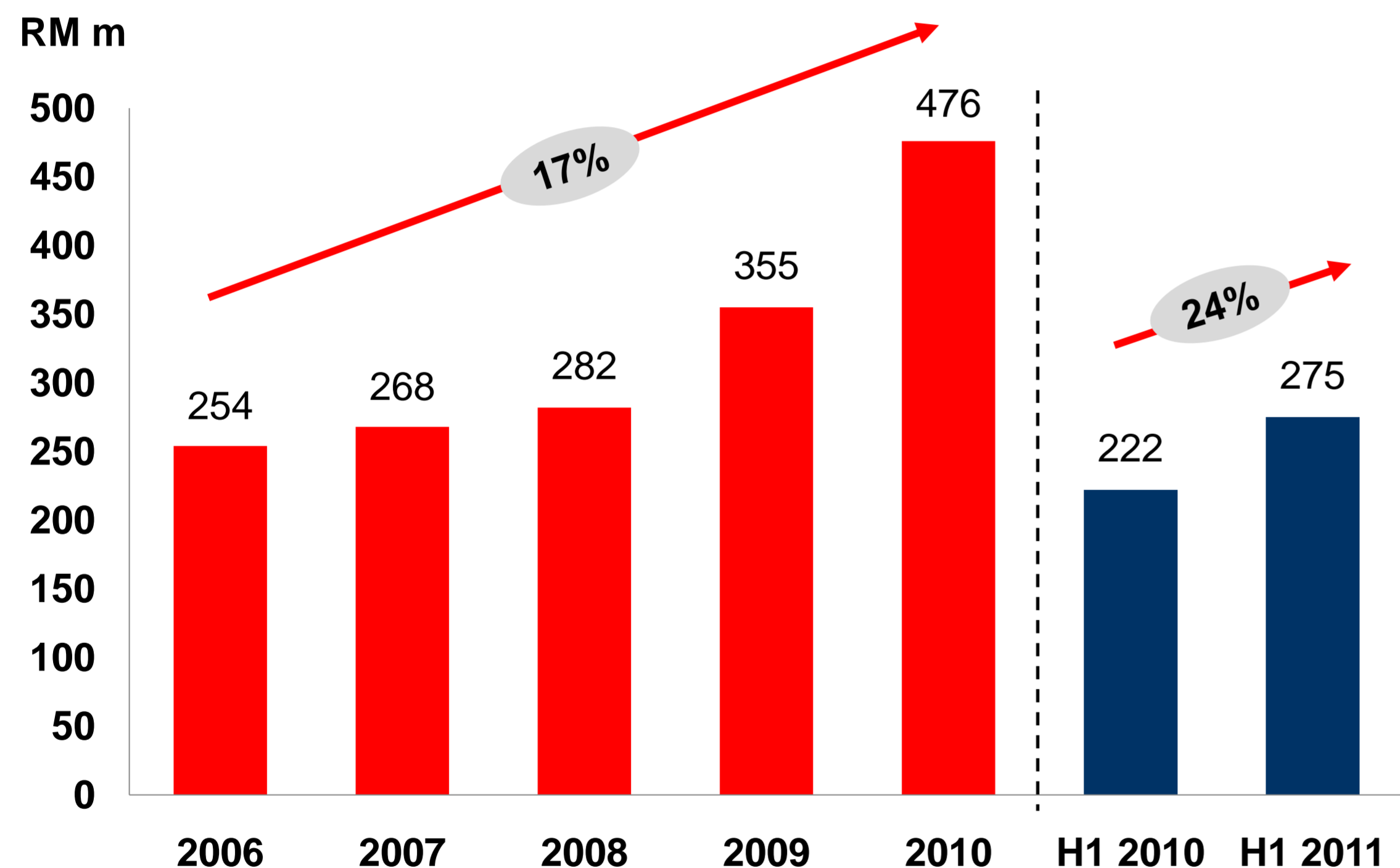


- Renowned player in H&P with high rider attachment ratio of 6.5 per policy
 - 44% contribution to APE
- Top 3 H&P riders
 - PRUHealth (attached to 90% of policies)
 - Enhanced PRUPayor (86%)
 - Crisis Shield (85%)
- Product portfolio predominantly investment linked with riders, Prudential continues to lead the market
- Traditional products have also achieved impressive results with 78% growth (2009-10)

Performance: Driving IFRS Profits

IFRS profits a key metric and growing strongly for Prudential

IFRS Profits from Life Insurance Business



Note: 2009 excludes RBC profits of RM343m

- Increasing scale of in-force book driving growth in IFRS profits
- Focus on managing monetisation of VIF
 - Tracking and actively managing persistency
 - Driving expense efficiencies through technology and automation
- Introduction of Risk Based Capital framework created one-off IFRS profits in 2009

Agenda

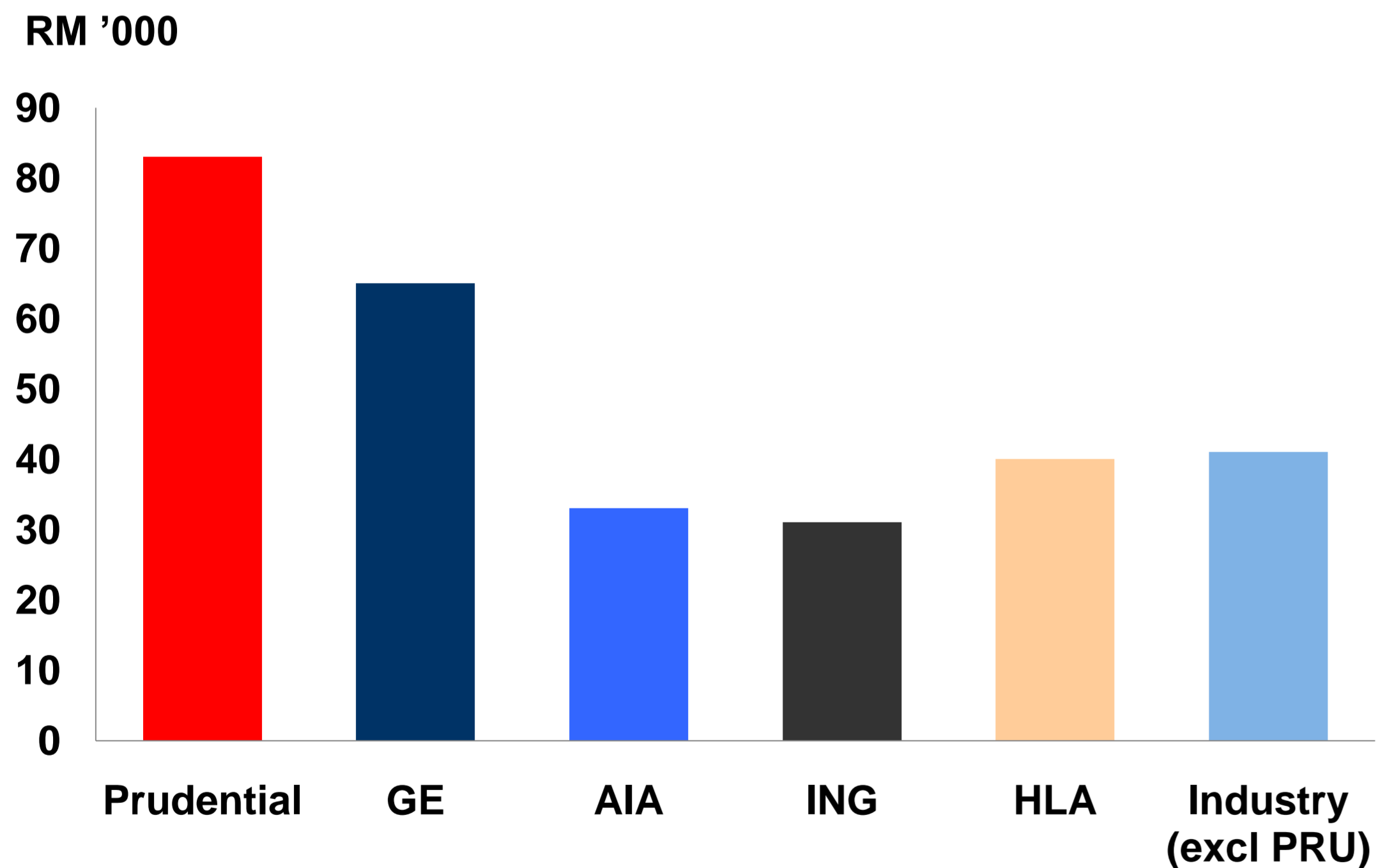
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Industry's Most Productive Agency Force

Prudential has the most productive agency force

Average Agent Productivity 2010

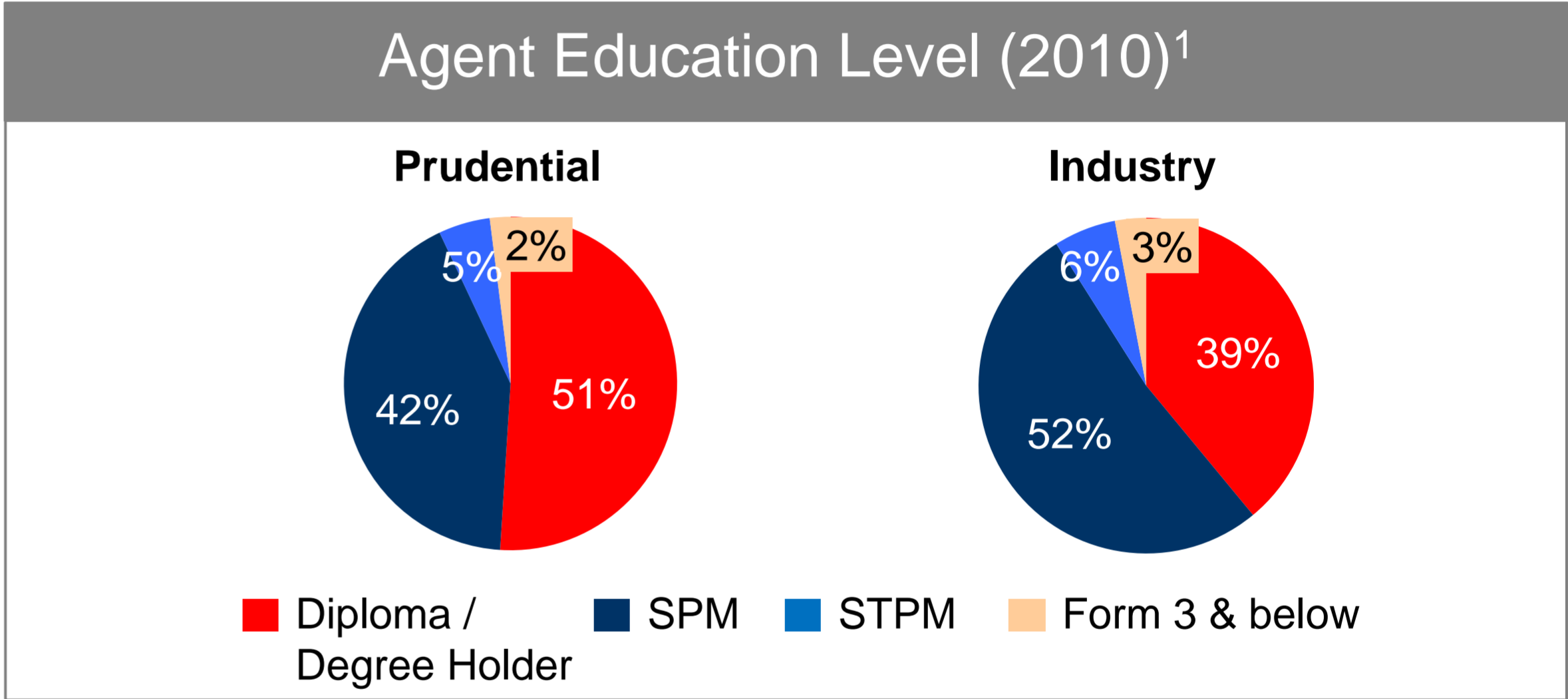
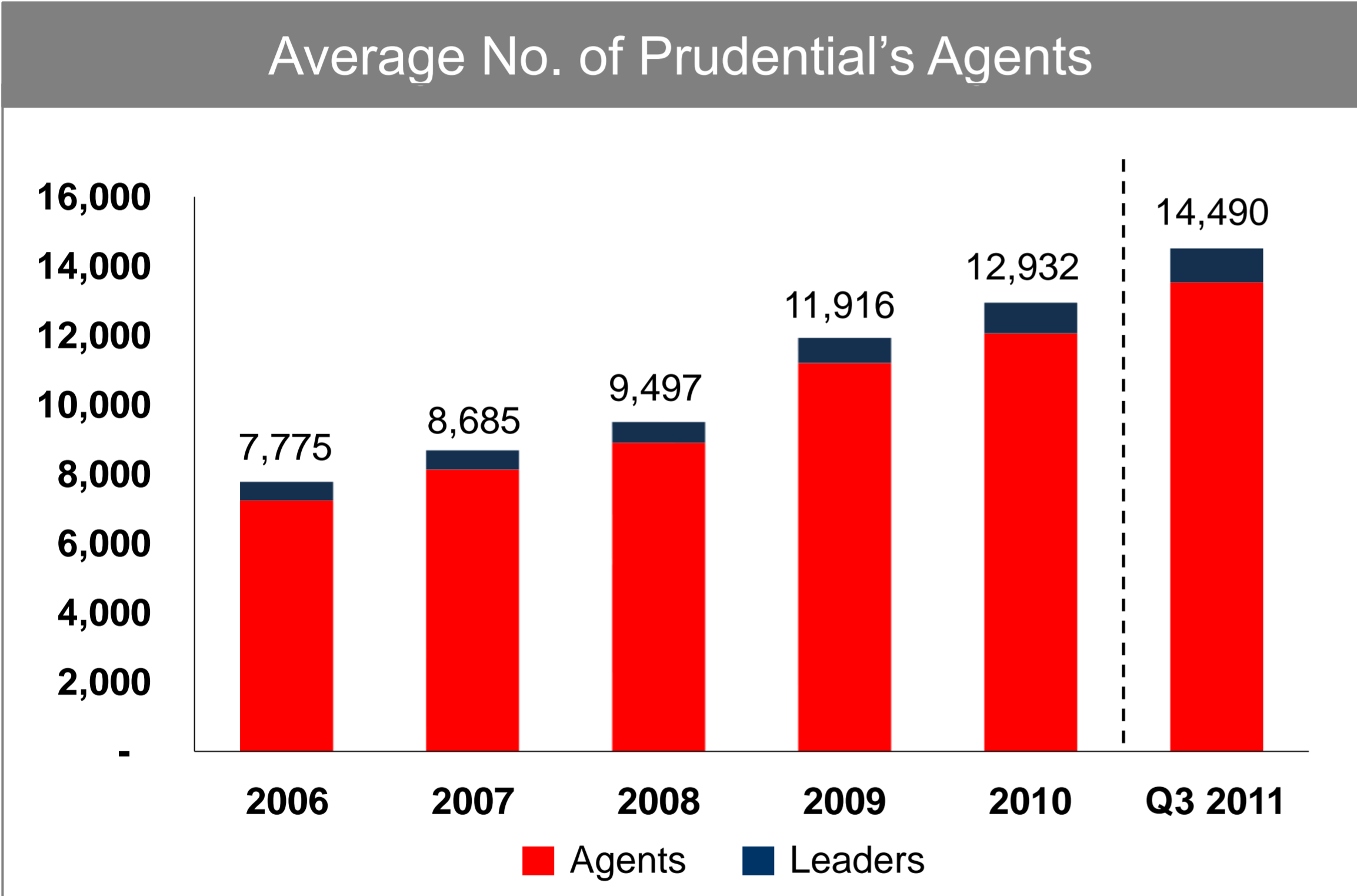


- Most productive agency force in the industry, twice as productive as #3, #4 and #5 players
- Strong growth in active agents up 13% (2008-10), momentum continuing
- Driving productivity through focus on
 - Quality training and professional development
 - Product strategy and marketing campaigns that drive agency activity
 - Technology improving efficiency

Increasing Agency Scale with High Quality Recruits



Increased agency size by 87% since 2006 and with high proportion of graduates



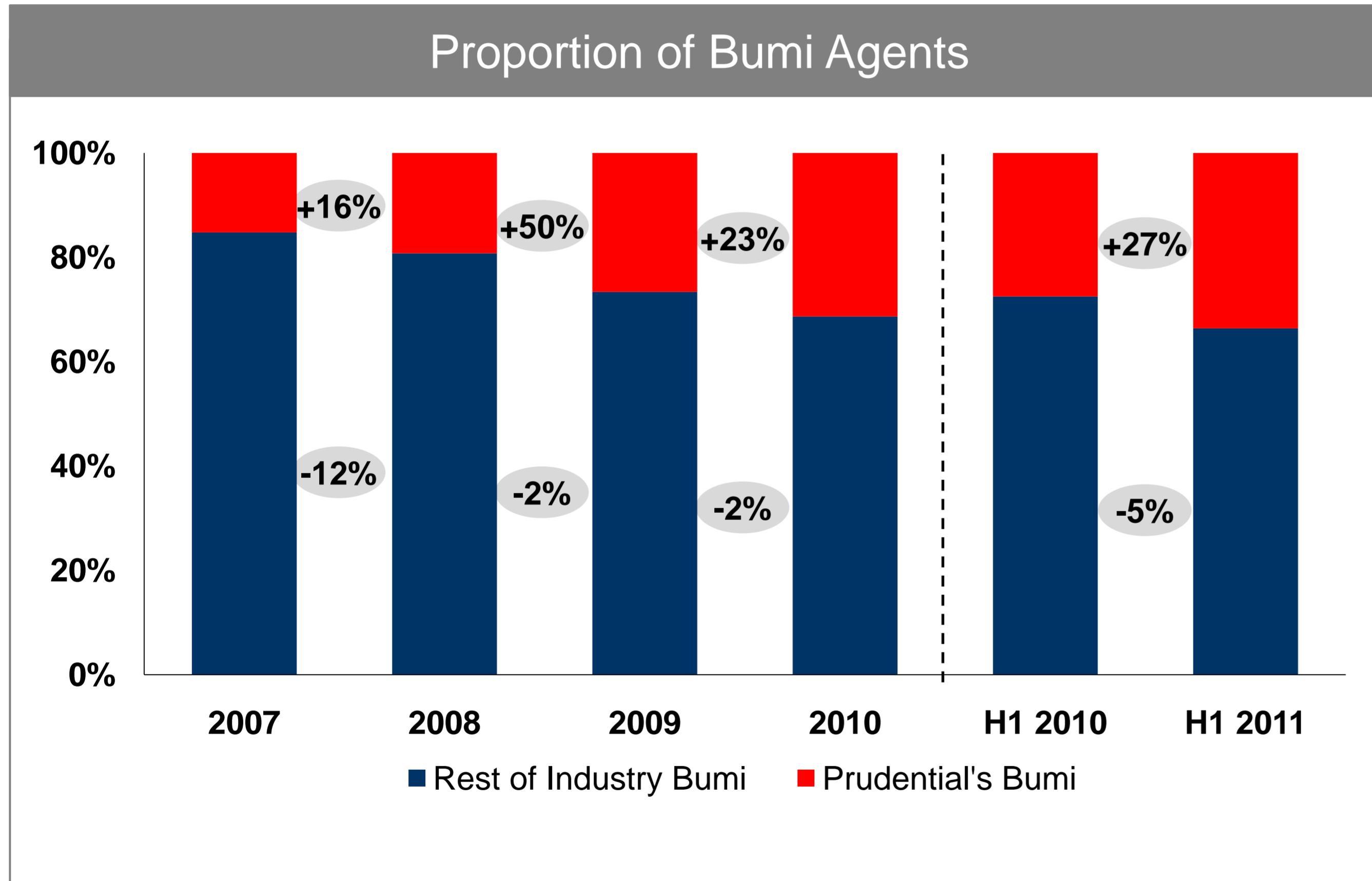
Average Monthly Income Comparison²

	Prudential Agents	Market Average
Rookie Agents	RM 2,147	Fresh Graduates RM 2,000
Quality Leaders	RM 21,750	Middle Managers RM 7,856

1. SPM: Malaysian Certificate of Education; STPM: Malaysian Higher School Certificate
 2. Average Rookie Agent's monthly income – full-time mid percentile rookie agents (2010)
 Average QL monthly income – includes Unit Managers, Agency Managers and Senior Agency Managers (2010)
 Source for average monthly income in the job market: Hays Group Survey 2009 & 2010; industry data from LIAM

First Mover Advantage in Bumi

Well ahead of industry in building and developing Bumi agents



- Commencement of Bumi strategy in 2006 in recognition of sector's growth potential
- Formation and strengthening of the 'Faculty of Takaful Business' for effective training and development of Bumi agency force
- Bumi agents now contribute one third of Prudential's agency APE (H1 2011)
- Prudential's Bumi agents represent one third of the industry (H1 2011), up from 15% (2007)

Expanding Partnership Distribution

Growing importance of bancassurance – 54% APE CAGR 2006-10,
contributing 8% of APE (YTD Q3 2011)

Exclusive Tie-up



Product Provider



- Fast start to partnership since May 2011
 - Launched more than 7 products in first 6 weeks
 - Our first bank partnership since 2000
 - Highly successful in-branch financial planners model
-
- Product placement commenced August 2011
-
- Product placement with Alliance Bank since July 2010

Leading the Market in Product Innovation

New products launched in 2010 and 2011 contributed 66% of APE
107,000 new customers in 2010

PRUHealth
2009



PRUCash Double Reward
(PCDR) 2009



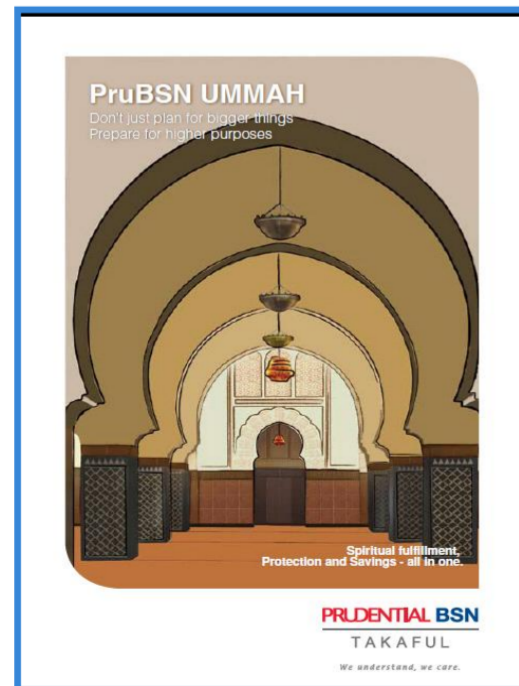
PRUMy Child
2010



PRULink One
2010



PRUBSN Ummah
2010



PRULife Ready
2011



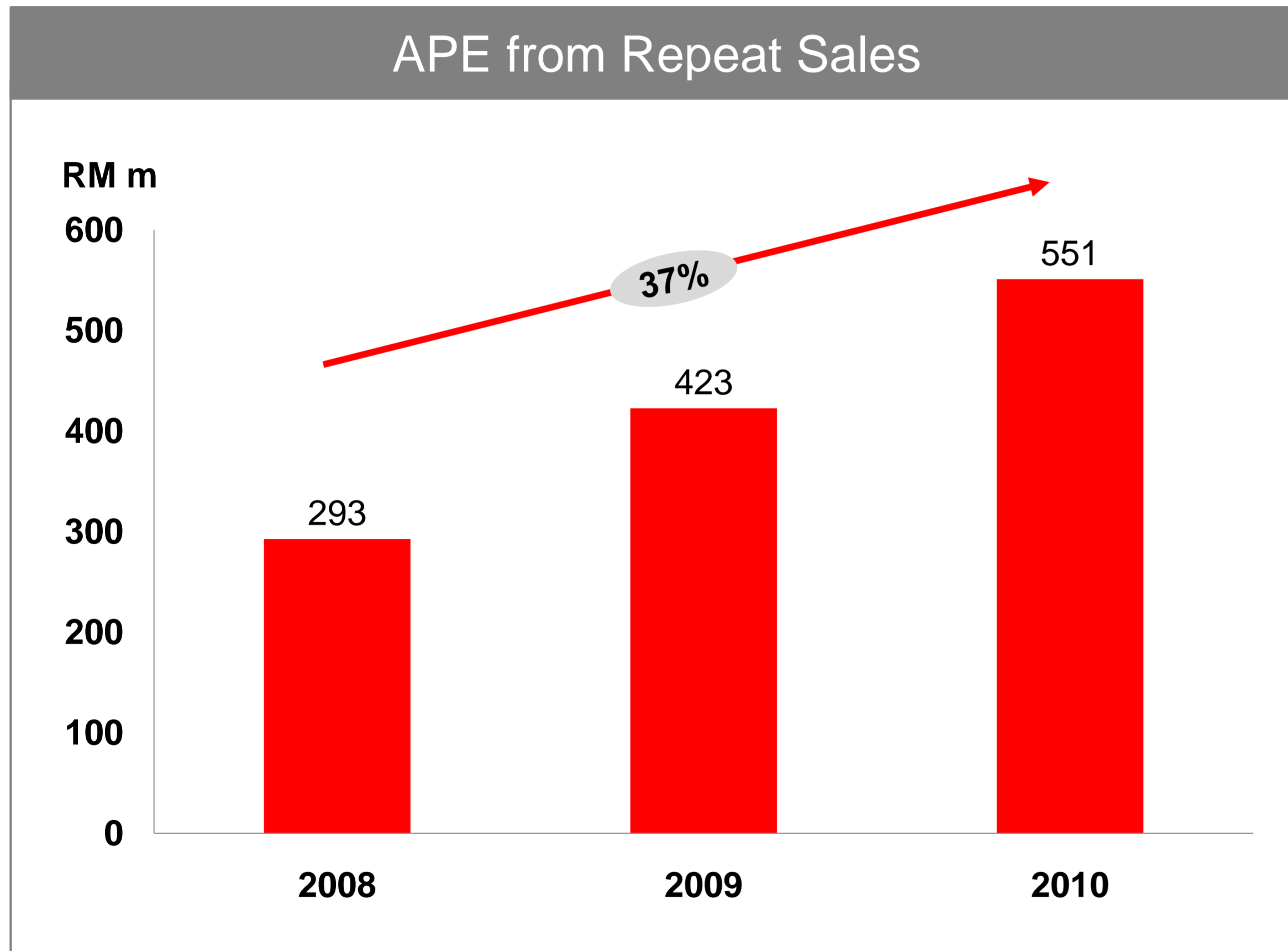
Comprehensive product range which meets customers needs whilst sustaining profitability

First in the market for multiple products

- PRULink Investor Account
 - Pioneered investment linked product in 1997
- PRUHealth
 - Medical plan featuring No Claims Bonus
- PRUMyChild
 - Introduces insurance cover before birth
- Ummah
 - Protects and assists in fulfilling spiritual obligations (e.g. Hajj)
- PRULife Ready
 - Rewards achievement of significant milestones for Gen Y

Delivering Value from Existing Customers

Well structured customer relationship management has strengthened customer retention



- Prudential has over 1 million customers in Malaysia
- Customer retention ratio has maintained at 95%
- APE from repeat sales growing strongly, 37% CAGR (2008-10)
- Systematically encourage cross-sell and up-sell opportunities with new product launches and product upgrades
- Formalising and standardising customer experience at all touchpoints

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Summary

- Malaysian life insurance sector set for sustained growth
- Prudential is exceptionally well placed
- Highly productive and professional agency force, including a well established and growing Bumi segment
- Driving rapid growth in partnership distribution
- Expertise in regular premium unit linked products with protection riders
- Well respected brand and customer service culture
- Driving profitable growth through disciplined management of value drivers

THANKS A BILLION MALAYSIA!!!



THANKS A BILLION!

We would like to congratulate Prudential Malaysia for reaching an amazing milestone - **RM1 billion** in total sales* for the year 2010. The dedication and commitment of your staff and distribution force is world-class.

Above all, we would like to thank our Malaysian customers for their unwavering loyalty and support. Your trust gives us great pride as we continue to strengthen our commitment to you and your loved ones in serving your financial and protection needs.

Congratulations and Thank You Malaysia!

 Tidjane Thiam
Group Chief Executive
Prudential plc

 Barry Stowe
Chief Executive
Prudential Corporation Asia

* Credit Level into Business Annual Premiums Reported (in RM) for U.S. Insureds as to the end of Month 12 contribution for the year ended on December 2010.

Always Listening. Always Understanding. **PRUDENTIAL**

