Consistent, Resilient Delivery

Tony Wilkey, Chief Executive, Insurance
Lilian Ng, Chief Operating Officer, Insurance
Prudential Corporation Asia
What can you expect

Proven track record of delivering multi-dimensional metrics

Market leading Multi-channel DISTRIBUTION
First Class TRAINING & DEVELOPMENT
Innovative & comprehensive PRODUCT SOLUTIONS
Seamless and Efficient CUSTOMER Experience
Best-in-Class PEOPLE

Always Listening, Always Understanding
Always Delivering
The story so far … Consistent, Resilient Delivery

- **2008**
  - Lehman meltdown
  - CPF regulation change in Singapore

- **2009**
  - Start of global recession
  - ‘European sovereign debt crisis
  - All time low interest rates

- **2010**
  - India ILP regulation change
  - Licensing of agents in Indonesia

- **2011**
  - Eurozone crisis
  - Numerous regulations in India
  - Strengthening CPD requirement in Malaysia

- **2012**
  - US debt ceiling
  - Europe re-enters recession
  - ‘FAIR’ introduced in Singapore
  - Takaful Operator Framework

- **2013**
  - Depreciating currencies
  - High Inflation
  - Continued low interest rates
  - ILAS disclosures in HK

**New Business Cumulative Growth % / 2006 as base**
- **Year 2007**
  - 1bn £m APE
  - 0.5bn £m NBP
  - 7% p.a.
  - Market NB 2007-13

- **Year 2013**
  - 2.1bn £ APE
  - 1.5bn £ NBP

**GDP per capita**
- MSCI Asia

**Regulatory changes during the period**
Source: based on formal (Competitors’ results release, local regulators and insurance associations) and informal (industry exchange) market share data for markets that Prudential Asia operates in.
Since then … Economic and political noises continue
Fast moving regulations

Distribution of key regulatory themes*

Key AML-CTF Themes:
- Enhanced DD
- High-Risk Customers / PEPs
- Sanctioned Countries
- KYC – Beneficial Owners

Other regulatory themes pertaining to taxation, solvency, actuarial, etc., are not represented here.

*For the last 12 months. "Regulatory Themes" are based on the understanding of the scope and coverage of the relevant regulatory changes or developments identified for the period.

Other regulatory themes pertaining to taxation, solvency, actuarial, etc., are not represented here.
And… Thriving through volatility

20 consecutive quarter on quarter growth on CER

- High Interest rates in Indonesia
- Political unrest in Thailand
- Dent in private consumption in Malaysia by subsidy cut
- ILAS disclosures & Bank’s suspension of sales in HK
- GDP growth rates start to moderate

- Rising Yuan threatening exports in China
- US government shuts down for two weeks
- Depreciation of Asian currencies
- Typhoon Haiyan in Philippines

- India product regulation change
- Major floods in Indonesia and Philippines
- LiFE Framework discussions in Malaysia
- Military coup leads to martial law in Thailand
- India’s 2014 election
- Dengue endemic in Malaysia

- Typhoon Rammasun causes $7b of damage across Asia
- Occupy Central Movement in Hong Kong
- Indonesia and Cambodia pass new insurance laws
- Protests and controversy over Indonesian election for President

Source: Based on APE, WFYP or Total Premium depending on available information. Information is taken from Competitors’ results release, local regulators and insurance associations, and informal (industry exchange) market share data for markets that Prudential Asia operates in. New Business is annualised to ensure that each quarter growth on a cumulative basis is comparable.
Diversity is our unique strength

APE

2014

Diversified Geography

Multi-Channel Distribution

Comprehensive Product Solutions

2009

2009 Excludes Japan and Taiwan agency and is for full year
2014 represents YTD Sep
Figures on actual reported exchange rate
Established go-to-market capabilities

Operates 13 businesses

Highly Trained Financial Advisors

Value Driven Bancassurance Model

Comprehensive Customer Solutions

Efficient Operational and Servicing Capability

Average per month

250,000 policies issued

161,000 new customers acquired

376,000 calls attended

1,000,000 website visits

20,000 agents recruited

103,000 claims processed

£172 million APE

Note: Results are for YTD Sep 2014


**Powerful Asian franchise**

**Leader in Asia with wide footprint in the right markets**

<table>
<thead>
<tr>
<th>Country</th>
<th>Market Share</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indonesia</td>
<td>27%</td>
<td>1</td>
</tr>
<tr>
<td>Vietnam</td>
<td>25%</td>
<td>1</td>
</tr>
<tr>
<td>Singapore</td>
<td>24%</td>
<td>1</td>
</tr>
<tr>
<td>Malaysia (incl Takaful)</td>
<td>21%</td>
<td>1</td>
</tr>
<tr>
<td>Cambodia</td>
<td>68%</td>
<td>1</td>
</tr>
<tr>
<td>Philippines</td>
<td>14%</td>
<td>2</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>13%</td>
<td>3</td>
</tr>
<tr>
<td>Thailand</td>
<td>4%</td>
<td>8</td>
</tr>
<tr>
<td>India</td>
<td>19%</td>
<td>8</td>
</tr>
<tr>
<td>China</td>
<td>12%</td>
<td>2</td>
</tr>
<tr>
<td>Taiwan</td>
<td>1%</td>
<td>13</td>
</tr>
<tr>
<td>Korea</td>
<td>1%</td>
<td>18</td>
</tr>
</tbody>
</table>

(Figures in brackets represent Life Insurance penetration)

Source: based on formal (Competitors’ results release, local regulators and insurance associations) and informal (industry exchange) market share data submitted by LBUs.

1. Market Share data based on latest available market share information
2. Based on New Business Weighted Premium basis
3. Philippines based on weighted new business premium, gross of reinsurance
4. China ranking and market share among foreign / JV only
5. Malaysia includes PAMB and PBTB
6. Cambodia based on Gross Premiums
7. India ranking and market share based on private players only
8. Penetration: Premium per GDP Source Swiss Re
And superior brand strength

Brand awareness

Top Decile

in 5 of 7 Sweet Spot Markets

Making lasting impressions

Bringing the LISTENING brand to life by UNDERSTANDING customers’ needs and becoming part of their lives

Sweet Spot Markets includes businesses of Prudential in South East Asia plus Hong Kong
Doing more of the same

Consistent strategy drives delivery

**Grow**

Innovate & refresh Product Solutions; ‘Value and Volume’

Strengthen agency scale and quality

Optimise value from strategic bank partners

Explore emerging opportunities in new markets

**Keep**

SUSTAINING persistency over economic cycles

ENHANCING expense position and optimising efficiency

REINFORCING claims management platform

Enrich customer experience and services delivery
Enabled by …

Driven by Insights

Leveraging Technology

Differentiated Innovation

Compliance Mindset

Best-in-Class People

Smart Leads

Powered By Analytics

- In-depth Understanding
- Enhance customer engagement
- Creation of adaptive capacity & agility
- Embedded throughout the organisation

Data driven pursuit of "Demand Spaces"

Operational efficiency

Focused & Accountable to Deliver

12
Execuotional Strength - Agency

Culture
- Professionalism
- Performance
- Profitability

Execution
- Powered by Analytics
- Enabled by Technology
Agency: Effective agency management

Superior growth in manpower and productivity

In 7 Markets

Growing Markets (2010-2013)

- PRU’s Share of manpower: 20%
- Manpower: 36%

Established Markets (2010-2013)

- APE: +37%

Overall APE (2010-2013)

- Market APE growth: +10%

Note: Prepared on CER basis. Markets where PruAsia operates in. Source: based on formal (Competitors' results releases, local regulators and insurance associations) and informal (industry exchange) market share data.

Growing markets: Indonesia, Malaysia, Philippines, Thailand and Vietnam; Established Markets: Hong Kong, Singapore, Korea.

Excludes, India, China and Vietnam.

Market ranking share information based on latest available data. Market share for India and China are amongst J/V or foreign players.
Agency: No ‘one size fits all’

<table>
<thead>
<tr>
<th>Differentiated agency structure depending on maturities and opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Growing Scale</strong></td>
</tr>
<tr>
<td>Recruitment</td>
</tr>
<tr>
<td>Rookies activation</td>
</tr>
<tr>
<td>Grow core agency</td>
</tr>
<tr>
<td>General agency enables expansion</td>
</tr>
<tr>
<td><strong>Segmented Model</strong></td>
</tr>
<tr>
<td>Selective recruitment</td>
</tr>
<tr>
<td>Segmented management</td>
</tr>
<tr>
<td>Productivity growth</td>
</tr>
<tr>
<td>Career development</td>
</tr>
<tr>
<td><strong>Financial Advisor</strong></td>
</tr>
<tr>
<td>Selection and profiling</td>
</tr>
<tr>
<td>Career financial consultants</td>
</tr>
<tr>
<td>Comprehensive financial planning</td>
</tr>
<tr>
<td>Portfolio management</td>
</tr>
</tbody>
</table>

**Value Proposition**

- Training and Development
- Performance Management
- Analytics and predictive modeling
- Sales and Servicing enabled by technology
Agency: Broader and deeper penetration

Over the last five years

- 2,000,000 p.a New cases
- 215,000 p.a New recruits
- 11% p.a Growth in productivity

Powered by Analytics
Delivered through Discipline
### Agency: Vietnam
#### Expansion powered by analytics

<table>
<thead>
<tr>
<th>Grow</th>
<th>Nurture</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Optimise on-boarding via rookie metrics [1/30 3/60 5/90]¹</td>
<td>• Growing core through segmentation</td>
</tr>
<tr>
<td>• Thematic BOPs for recruitment</td>
<td>• PRU Elite: Top tier producers</td>
</tr>
<tr>
<td>• Record recruitment – 9,500 attendees per month</td>
<td>• PRU Champion: Top tier unit managers</td>
</tr>
<tr>
<td>• End to end On-boarding process drives activation</td>
<td>• PRU Master: Top tier branch managers</td>
</tr>
<tr>
<td>• OB training and licensing</td>
<td>• Group Presentations For recapture and activation</td>
</tr>
</tbody>
</table>

> **1/3rd**
> Rookies sells a policy in first 30 days

45% of APE contributed by Pru Elite

> **4x** of rookie Pru Elite Activity Rate

---

¹ Cases / number of days
² Period for YTD Q3 2014
Agency: Singapore
Enhancing productivity empowered by technology

HIGHLIGHTS

4x
of Industry manpower growth
Highest net manpower growth in industry since 2012

1.4x
of Industry productivity &
Driving desired behaviour

*Manpower growth: Using as at number of agents for YTD Q3 2012 vs YTD Q3 2014
** Productivity for regular premium business, Calculation assumes individual health policies for competitors are sold by Agency channel (except Aviva)
*** RP excludes premiums from in-force Shield business due to 2013 repricing exercise and changing age bands
Executional Strength - Bancassurance

Value for both PRU and the Bank

- Effective, dedicated MANAGEMENT
- Multi-channel DISTRIBUTION
- Best-in-class TRAINING
- Efficient and customer focused OPERATION & SUPPORT
- Tailored and collaborative MARKETING & BRANDING
- Innovative and diverse PRODUCTS

Outperforming Market

2013 2010

APE

12% p.a.

22% p.a.

PRU Market

Banca Growth Rate (2010-2013)

Note: Prepared on CER basis. Markets where PruAsia operates in. Source: based on formal (Competitors' results release, local regulators and insurance associations) and informal (industry exchange) market share data.
Local Bank: Thanachart
Rapid activation creating immediate value

**Pre-Partnership**
- Loan Protection
  - Car: 15%
  - Home: 85%
- Short pay savings
  - Market leader in Hire Purchase segment
  - Very short pay products

**Partnership**
- Smile Car
- Smile Home
- Improved penetration 70%

**Day 1**
Distribution readiness
Efficient implementation

**Win-Win Deliverable**
- +28% pt Improvement in NBP Margin for Prudential
- +30% pt Improvement in fee income for TBank

---

1. Hire Purchase Penetration Rate
2. Period: YTD Q3 2014
Regional Bank Partner: UOB
Sustaining profitable growth leveraging analytics

- Regional partner since 2010 in 5 markets
- Strong collaboration with fast and efficient implementation
- Dedicated sales management and back-end support
- Expanded to Business, Commercial and Private Banking
- Diversified product mix and deeper customer penetration
  - Comprehensive contact strategy
  - Enhanced repeat sales activity
  - Leveraging data analytics to drive further penetration

**Consistent Delivery**

![Significant Outperformance Graph]

- APE
- Partnership started
- $3.9x

Yr 0  Yr 1  Yr 2  Yr 3
1.0x  1.2x  2.6x  3.9x

Driven by

- Activity $2.4x
- Productivity $1.5x

**Consistent Delivery**

- Average Case Size
- Includes cases per manpower, conversions and other activity drivers
Global Bank Partner: Standard Chartered Bank
Unparalleled success in a unique partnership

- All 11 markets operational by 1 July 2014
- Successful implementation for India and Indonesia
- 2H 2014 business plans developed and implemented
- Step change with consecutive record months
- Outperforming stretched targets
- Alignment and engagement across both organisations at all levels

Long Term Value Proposition

- Integrated 'Insurance Proposition'
- Customer analytics to deepen penetration
- Technology-based solutions engage customer / sales force experience
- Dedicated service line / platform for bank customers

A Truly Strategic Co-operation
Holistic solutions to meet customer needs

HIGHLIGHTS

- Product solutions tailored for ‘all seasons’
- Balancing interests amongst stakeholders
- Nuances of drivers differ by country
  - Customer needs
  - Regulation
  - Market sentiment
  - Shareholder risk
  - Market specific
**Innovative and comprehensive product solutions**
**Meeting customers’ life stage needs**

<table>
<thead>
<tr>
<th>Life Stage</th>
<th>Needs</th>
<th>Product Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Young &amp; Single</td>
<td>Target savings / Weath creation</td>
<td>- Young &amp; Single product solutions</td>
</tr>
<tr>
<td>Young Couple</td>
<td>Home purchase / Pure protection / Wealth creation for long term</td>
<td>- Young Couple product solutions</td>
</tr>
<tr>
<td>Married with young children</td>
<td>Mortgage ins / Education savings Retirement accu / Health ins</td>
<td>- Married with young children product solutions</td>
</tr>
<tr>
<td>Married with grownup children</td>
<td>Kids higher edu / Mortgage ins Health care / Retirement planning</td>
<td>- Married with grownup children product solutions</td>
</tr>
<tr>
<td>Retirees</td>
<td>Post retirement living Medical expenses Estate planning</td>
<td>- Retirees product solutions</td>
</tr>
</tbody>
</table>

**Innovation Index**

- > 25% APE from new products¹
- > 25% NBP from new products¹
- > 20% Growth in new customers²

---

1. Products launched over the past 24 months
2. FY 2013; ex India
Before 2000s

- High prevalence of spread products
- Low levels of protection
- High degree of regulatory freedom
- Introduction of linked products in Asia

1990’s to 2000’s

- Financial crisis
- Sustained low interest rates
- Risk Based Capital frameworks
- Heightened regulatory focus on consumer protection

Catalysts for change

Today

- Products more comparable
- Tactical products to gain market share
- Shifting focus to protection
- Greater visibility of investment returns

Now / Future

- Success driven by:
  - Precision in matching solution to customer need
  - Level of value-added service
  - Brand values
  - Investment performance

Core Value Proposition

Product Solutions Strength
Executional strength - Customer Experience

Customer Offer Strategy

driving …

Business Actions

Life Stage
Environment
Attitudes
Affluence

Key to differentiation

Identify & Prioritize Opportunities

ACQUIRE
new-to-company customers

X-SELL/
UP-SELL

ENGAGE
with existing customers

RECOGNITION/
WIN-BACK

RETAIN
existing customers

Customer Offer Strategy

1. Average 2m new customers a year since 2010
2. As at YTD Q3 2014

2 million
New Customers¹

12.7 million
inforce Customers²

20.1 million
inforce policies²
Always Listening

**Customer Satisfaction Program**

- **CSAT Program** introduced in 2013
- Region-wide approach; adaptable by local businesses
- Organisational discipline to discover drivers of customer satisfaction and loyalty
- Consistent, systematic and holistic approach
- CSAT strives to achieve customers point of view
  - Customer experience (touch-point) delivery survey
  - Competitive benchmark survey

**Customer Insight Community**

- 1st insurer in Asia to use digitally enabled customer panel to seek customer feedback
- Ensures we develop relevant, transparent and appropriate products and services
- 5,000 customers participate in “Pru For You”
- Feedback obtained on customer segments: different demographic backgrounds and channel/product experience
Always Understanding

### Analytics Expertise
- Regional leader in using data to drive value
- Segmentation, profiling and propensity modelling
- Leads (re) assignment
- Optimising leads performance
- Customer behaviour insight
- Persistency and claims data mart

### Value Added Service
- **Background**
  - Increasing medical inflation in Singapore
  - Prushield Customers currently utilize Govt Restructured Hospitals
  - Customers calling customer-care for inquiry and assistance
- **Pru health care Assist**: A first-to-market medical helpline manned by medical personnel and exclusive to PRUshield customers
- **Access to PRU Shield policy benefits, medical & hospital information via dedicated hotline**
**Always Delivering**

**Connect**
- **New Customers**
  - Sweet Spot Markets
  - 1.8x growth from 0.7m in 2009 to 1.3m in 2013

**Stay longer + Buy more**
- **Customer Retention Ratio**
  - 12.7m Customers with >90% retention

**Customer Satisfaction**
- Measure: CSAT results
- Manage: Action planning workshop
- Monitor: Introduced Customer Service Council

**Customer Loyalty**
- **New Business Sales**
  - APE: £1,544m
  - 38% Repeat Customer
  - 62% New Customer

**Insights**
- **Empowering distribution**
  - End-to-end sales support mechanism for distribution from sales and new product launch to service and claims

- **Multi-Dimensional customer segmentation**
  - Provides tailored customer proposition and servicing

- **Continuous tracking and monitoring**
  - Quantitative tracking tools monitor our brand performance and marketing campaign effectiveness among our target audience

- **Always Listening. Always Understanding**
  - Is a distinct and strong competitive advantage

**Period YTD Q3 2014 unless otherwise stated**

*Sweet Spot Markets includes businesses of Prudential in South East Asia plus Hong Kong*
# Executional Strength – Robust technological platform

## Cyber Resilience
- Network Segmentation – Prevents threats from propagating
- Secure Web & mobile applications – Prevents costly data breach
- Encryption - Defense in depth & emerging regulations

## Operational Support
- Robust & secure infrastructure platform
- Integrated, resilient and scalable telecom network
- Regional implemented policies and procedures
- Strong business continuity programs

## Proactive & Preventive
- Sensitive intrusion detection and prevention
- Monitoring and Analytics (SOC) - How do we know if we are under attack?
- Process based Incident management to minimize business impact

Always On. Always Secure
Executional Strength – Best in class leadership

Evolving from fit-for-purpose to “FIT-FOR-GROWTH”

- We provide Leaders with integration support enhancing productivity in new role

- We listen to our People to create a “Winning Culture” through engagement

- We have a strong platform to gain deeper insights to make informed decisions

- We drive a differentiated performance culture

93% SMT Retention

92% High Performer Retention

92% Talent Pool Retention

92% Local Asian

40 Nationalities

100% Life business CEOs are internally groomed

90% Top Talent on SMT / CEO succession plans

82% SMT sourced from existing talent pools

89% PCA LBU CEOs are of Asian origin

48% Talent pool are female

1. Over the last 5 years
Well positioned to meet market evolution

**Summary:**

- **Platform is resilient** amidst volatility and regulatory evolution
- **Distribution strengths** built from execution oriented focus for delivery
- **Comprehensive product solutions** with value over volume ethos
- **Enrich customer experience** enabled by **analytics** and **technology** as a defensible advantage
- All wrapped around a **robust risk and compliance framework**
- Invest and strengthen talent pool to ensure **Fit for Growth**