



India



India :

The most exciting life insurance market today

Life industry

Penetration:	2.5% GDP
Density:	US\$18 per cap
Total premium:	US\$ 20bn
New business:	US\$ 8bn
# Policies:	200 million
Liberalization:	1999
# Players:	16 (13 JV)

Characteristics

- Primarily rural population, but urban income rising rapidly – government mandate rural coverage
- Customers exhibit tax and investment driven behaviors
- Relatively diversified distribution for a developing market

India

Top players Apr-Aug 2006

1. Life Insurance Company in India (LIC)	66%
2. ICICI Prudential	11%
3. Bajaj Allianz	5%
4. HDFC Standard Life	3%
5. SBI Life	3%

Recent developments

- Rapid market growth for last 5 years, pace accelerated in 2006
- Increasing share of unit-linked products
- Push towards pension & health products
- Sharp growth in single premium market
- Regulators tightening up on product definitions
- Continued market entry by local and foreign players

Source: Swiss Re Sigma No 5/2006, FY 2005 Apr 1 – 2006 Mar 31, Insurance Regulatory and Development Authority.

India : ICICI-Prudential is a great partnership

At market entry

- ➔ Little knowledge of the Prudential brand
- ➔ No recognizable insurer except LIC

Brand strength

Infrastructure

Customer base

Market innovators

Local knowledge



Reputation

Insurance expertise

Product

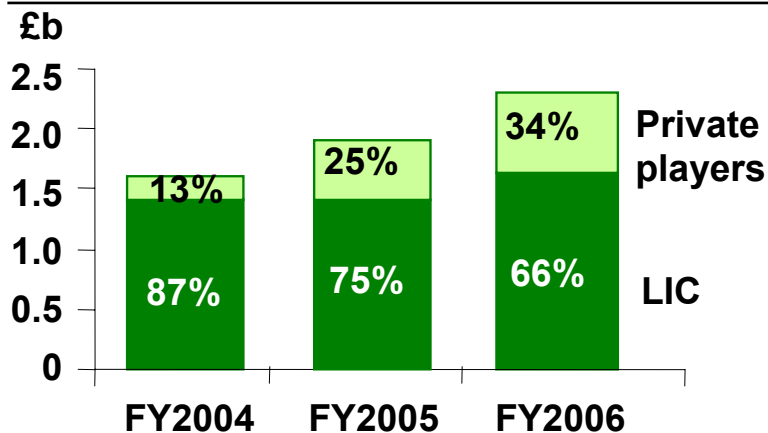
Distribution

Operations

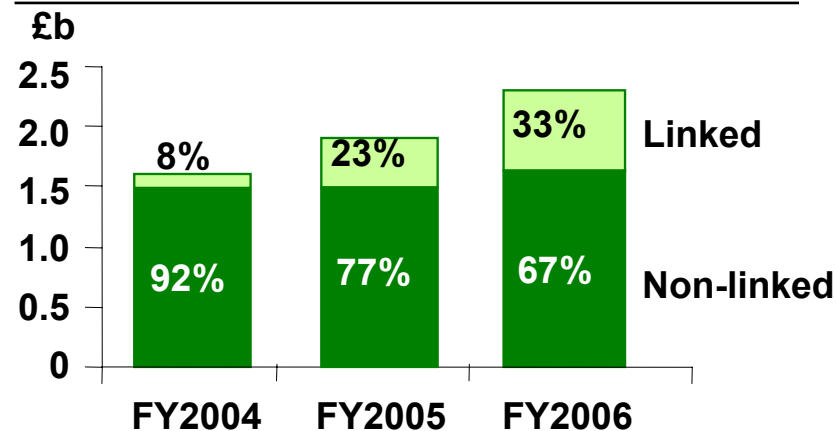


India : Fast changing insurance industry landscape

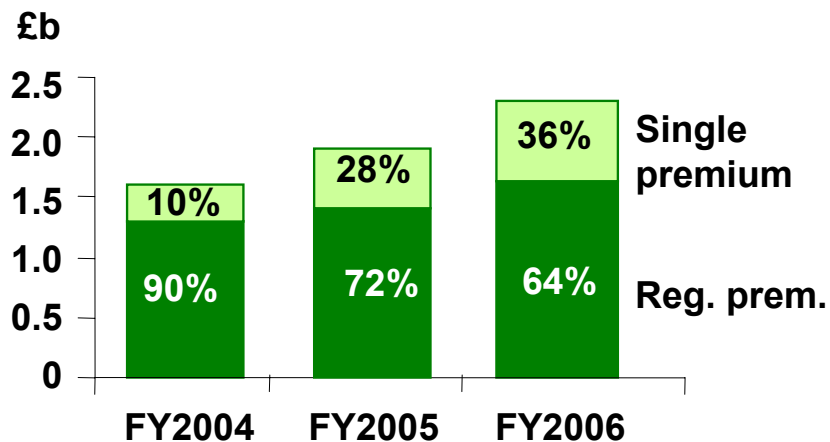
Private insurers driving growth



Shift towards linked products



Emergence of single premium



Key drivers

- Positive macro economic outlook – GDP forecast to grow at 8%+ for next few years
- Changing demographics leading to higher demand for life insurance

Source: IRDA, individual weighted premium basis.

India : Challenges and strategy

ICICI-Prudential Brand Strategy

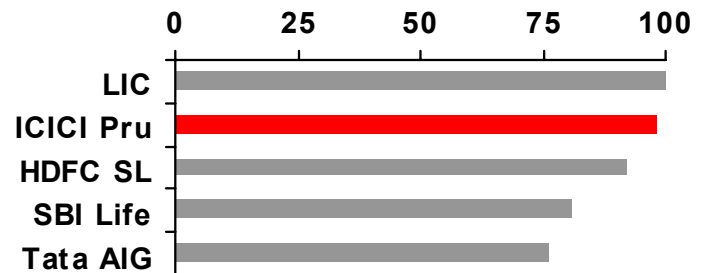
- Cohesive branding from day one
- Branding campaigns highlight local sensitivities and cultures within life insurance context



- ✓ Quickly gained strong brand and icon recognition



- ✓ Top brand awareness amongst foreign companies



- ✓ “The Most Trusted Private Life Insurer” by Economic Times AC Nielsen survey – 3 years running

India : Challenges and strategy

Market challenges

Increasingly sophisticated customers; awareness of products and service levels is high

ICICI- Prudential strategy – Products

- Customer centric product positioning based on life stage and income needs
- Innovative and flexible product solutions
- Absolutely no short cut in agency training

- ✓ First to market with innovative products:
 - ➔ Unit link, Cancer, Diabetes
 - ➔ Premium guaranteed products

**Diabetes** Care

1st critical illness insurance for diabetics.

- ✓ First to implement six sigma program to enhance service level
- ✓ Avaya Global Customer Responsiveness Award
- ✓ AUM of £1.3 billion, consistently outperform benchmarks
 - ➔ Strong plus for unit linked portfolio

India : Challenges and strategy

Industry challenges

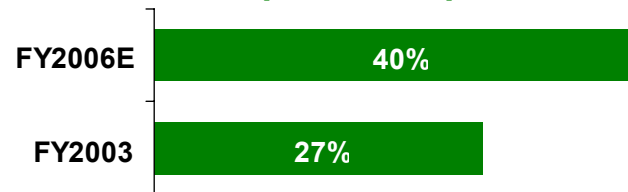
- LIC dominates agency distribution
- Extensive branch network necessary to support a large agency force and geographically spread customer base
- New industry – talent squeeze

ICICI-Prudential strategy – distribution

- Aggressively build multi channel distribution capability – seize first mover advantage amongst private insurers
- Leverage partner's geographic footprint to support expansion
- Bring in talents from partner and other financial service companies – limited number of expatriates required in first 3 years

- ✓ Created the largest and most productive agency force now exceeding 130,000
- ✓ 400 branches in 271 locations – still expanding
- ✓ Large bancassurance and direct marketing channels

% sales from partnerships



- ✓ 100% local team
- ✓ Now exporting talent to other operations



India : Managing operational risks

Industry risks

Mis-selling

Increased competition for talents

Our Response

- ✓ Extensive training interventions, covering new unit linked guidelines
- ✓ Bilingual Key Features Document
- ✓ Quarterly news letters with full disclosure on benchmarks and investment portfolios

- ✓ Talent management
- ✓ Long term engagement – ESOS, accelerated career programs, learning & development architecture



**Prudential:
Leading in Asia**

**ICICI Prudential illustrated interview
can be viewed on demand at
www.prudential.co.uk**



India : Our operation in the last seven months

Apr 2006

72,000 agents

177 branches

37% PD sales

2.5 million policies

**FUM
< US\$ 2 billion**

Oct 2006

133,000 agents

400 branches

**40% PD sales
+ 10 new bank tie-ups**

3 million policies

**FUM
> US\$ 2.5billion**





India : Leveraging our best in class platform

Developments

- **Smaller cities have potential**
- **Evolving consumer needs for pension and health**
- **Polarization of foreign insurers**

ICICI-Prudential position

- **ICICI footprint covers majority of target cities**
- **Continued expansion of distribution channels**
- **Leverage best in class operating platform**
- **First mover in emerging health and pension lines**

Summary

In nascent markets, first mover advantage is critical and difficult to replicate. Prudential's aggressive early investment is paying off and we will continue to leverage our leadership positions.

Market assessment

Role in strategy

Competitive position

Top priorities

Vietnam

- Recent market decline slowing
- Growth of mass-affluent class promising

- Maintaining leadership position

- # 1 market share amongst all insurers
- Excellent brand-awareness

- Sharpening focus on urban markets
- Improving agency productivity
- Product innovation

Thailand

- DM providing growth opportunities

- Establishing leadership position in DM channel

- Biggest in-house DM infrastructure

- Top in DM

India

- Continued high growth
- Tighter product regulation

- Key market

- # 1 market share amongst private insurers
- Most trusted private life insurer

- Continued geographic expansion
- Pensions and health
- Operating platform