



**Prudential:
Leading in Asia**

A large, light-colored map of the Asian continent is centered in the background of the slide.

India : Building scale and leadership

A stylized, light-colored illustration of a dragon is located in the bottom left corner of the slide.

**Pankaj Razdan
Prudential Corporation Asia
1 December 2006**



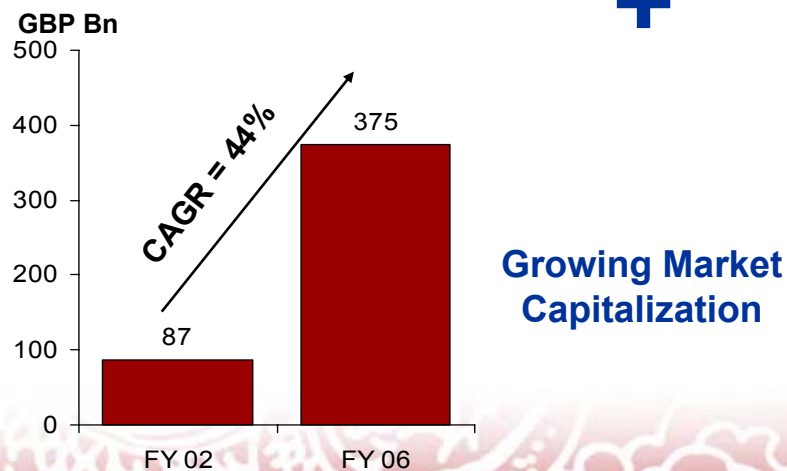
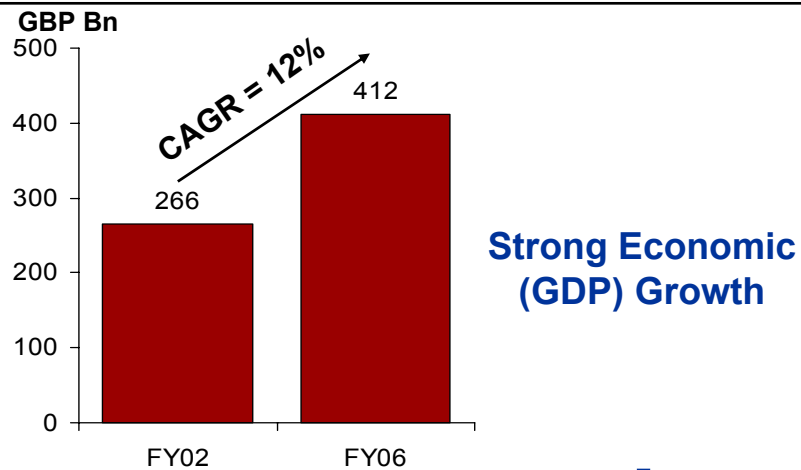
India : Economic Overview

Rising affluence

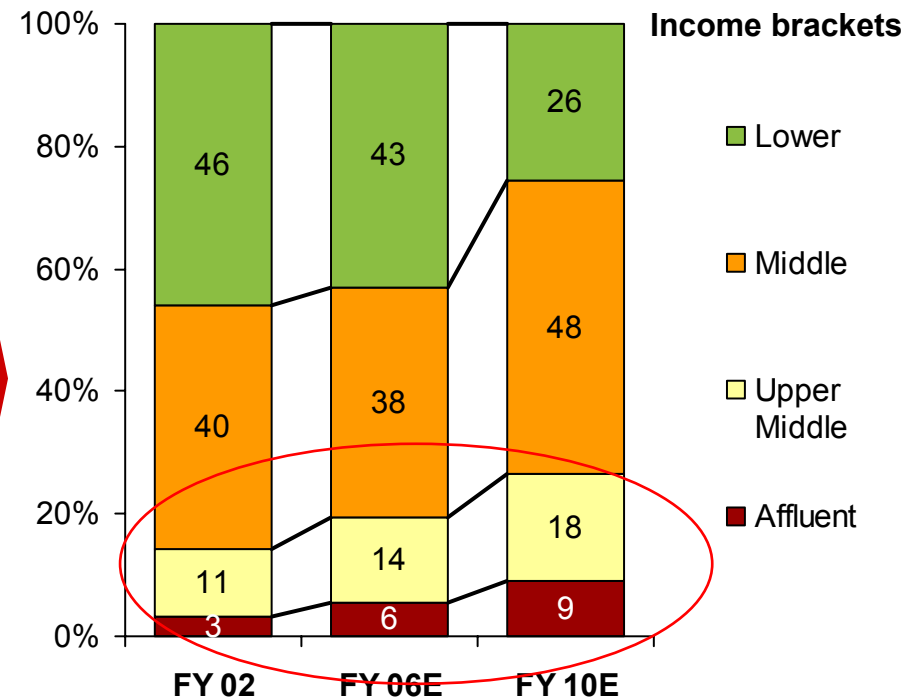


Wealth generation is driven by strong economic and market capitalisation growth

Strong Economy and Rising Market



Rising Affluence



Source: Tata Statistical Online, ML Research, NCAER, Edelweiss Research



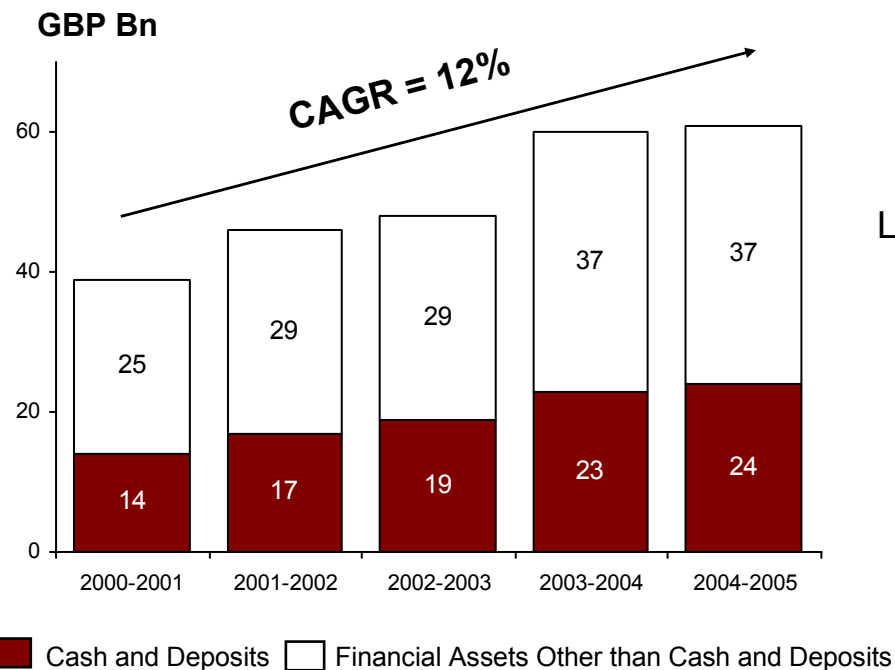
India : Household Financial Assets Opportunity for mutual funds



Growth in personal financial assets coupled with low penetration of mutual funds offers significant opportunity to convert cash and deposits into MFs

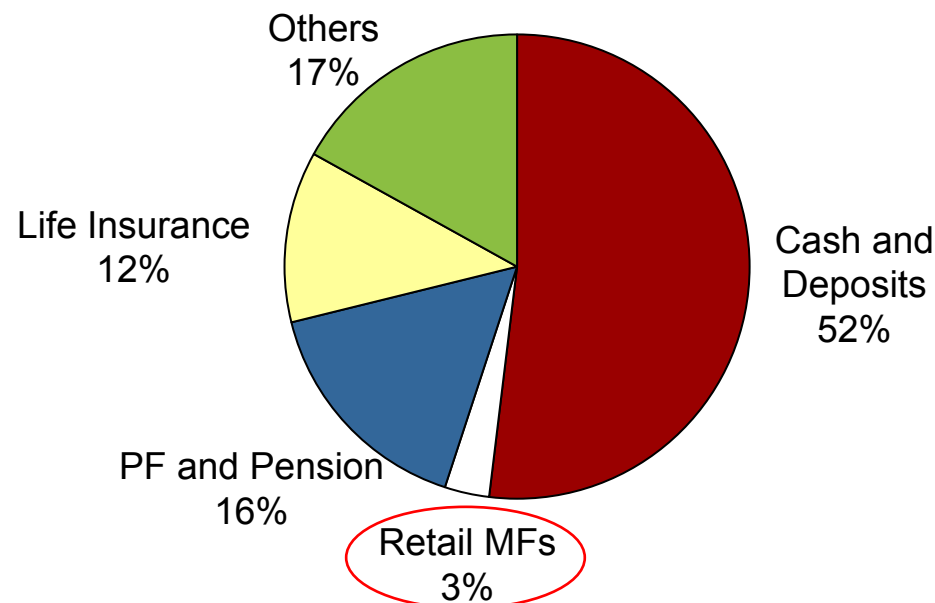
Incremental Household Financial Assets

YoY incremental flows



Distribution of Household Financial Assets

As on 2004-2005



**Total Household Financial Assets
as of 2005 is GBP 408 bn**

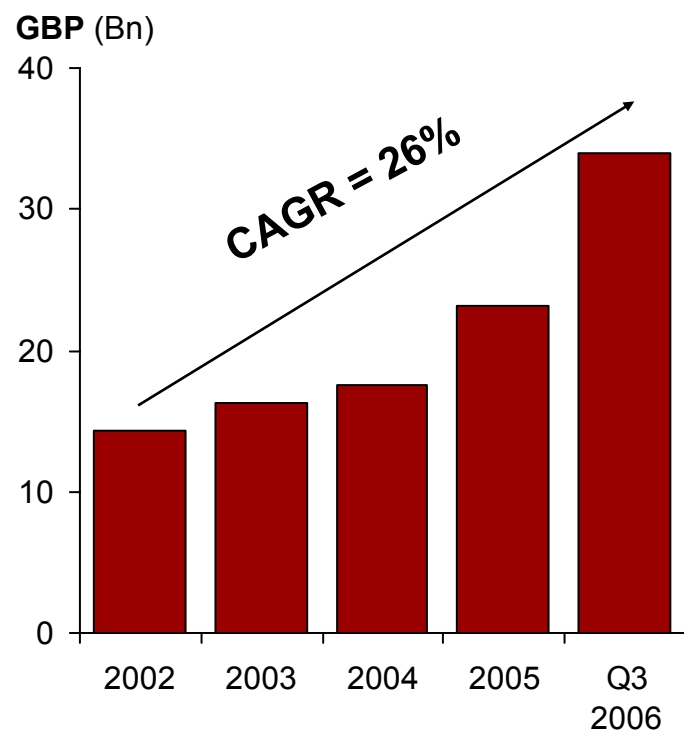


India : Mutual Fund Industry Overview

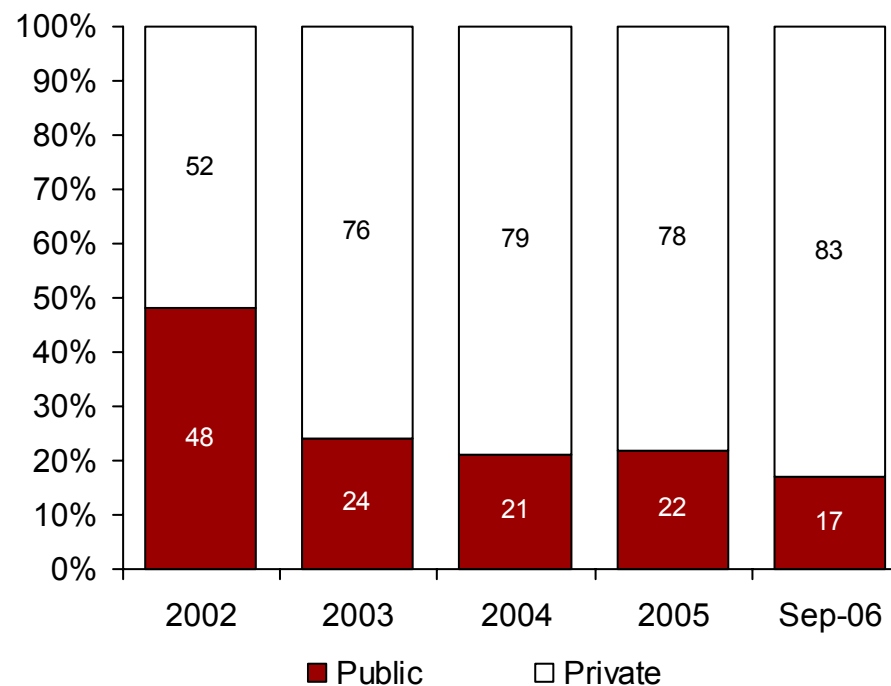


We have seen rapid growth in the MF industry due to increasing MF awareness; private sector has grown significantly

MF Market FUM



MF Market FUM Mix



Private sector has grown at 42% as against negative growth of 4% for public sector



India : Mutual Fund Industry Overview

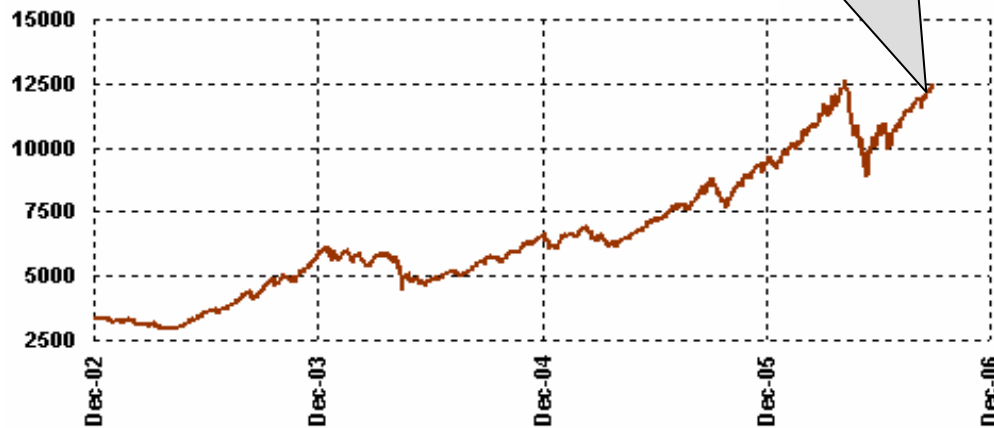
Product trends



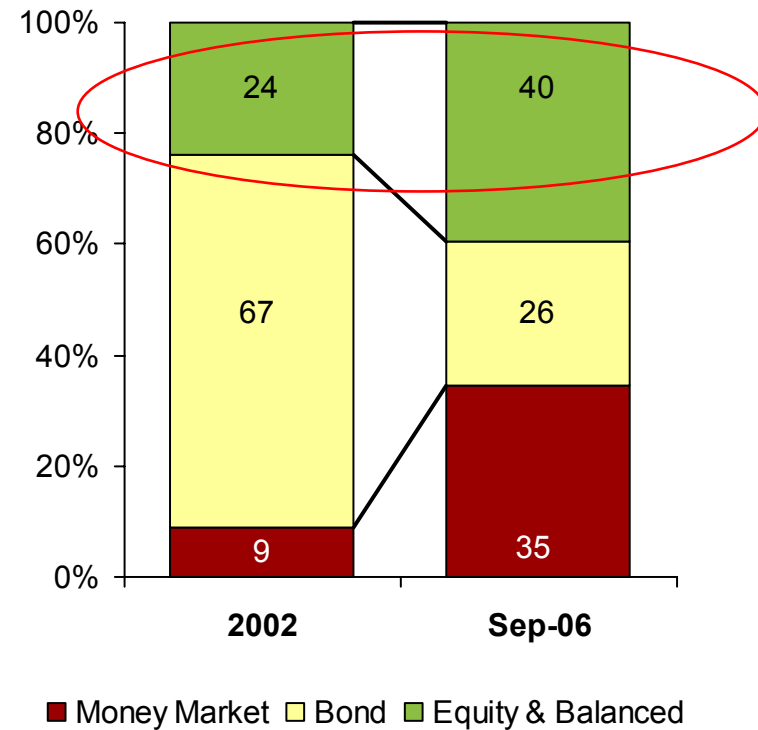
Equity assets have grown as a result of increasing participation by retail investors

Equity Market

BSE Sensex



Product Trends





India : Mutual Fund Industry Overview

Distribution trends



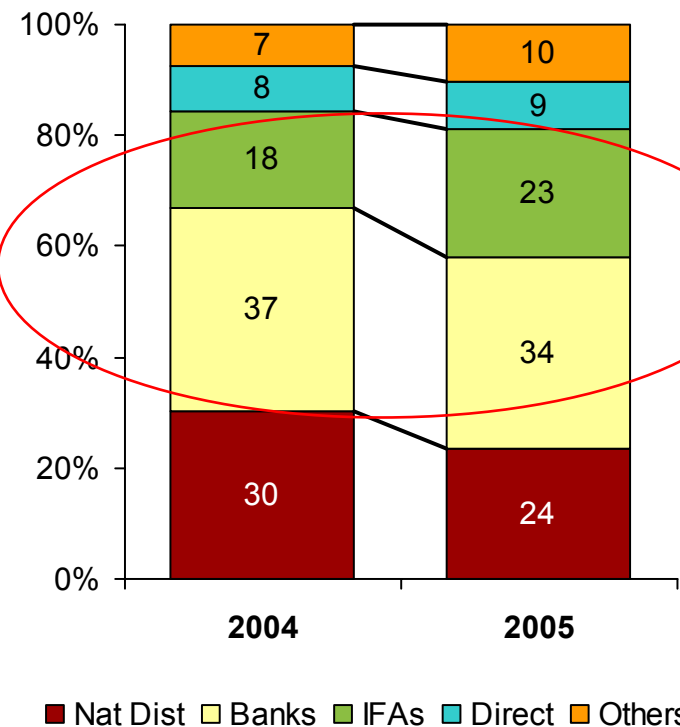
Bank and IFA channels will remain dominant given their geographic reach and the widespread distribution of personal financial assets

Geographic Spread

- Household deposits – GBP 144 Bn
 - Non Metro* - GBP 91 Bn (63% share)
- Banks likely to be dominant
 - Geographic reach
 - Increasing focus on fee-based income
 - Untapped government owned banks

* - Non-metro comprises of 750+ towns and 600,000+ villages

Distribution Trends





India : Mutual Fund Industry Overview

Regulatory trends



Regulatory reforms are providing significant growth opportunities

Regulatory Reforms

Dismantling of benefits to traditional (govt. backed guaranteed) products leading to migration towards MFs

New asset classes for investments

Offshore money to be invested into local funds

Investment opportunities in offshore funds

Opportunity

GBP 380 Bn of existing and incremental financial savings

GBP 300 Bn of existing physical savings

GBP 17.5 Bn from NRI investors + Foreign institutional mandates

GBP 53.5 Mn



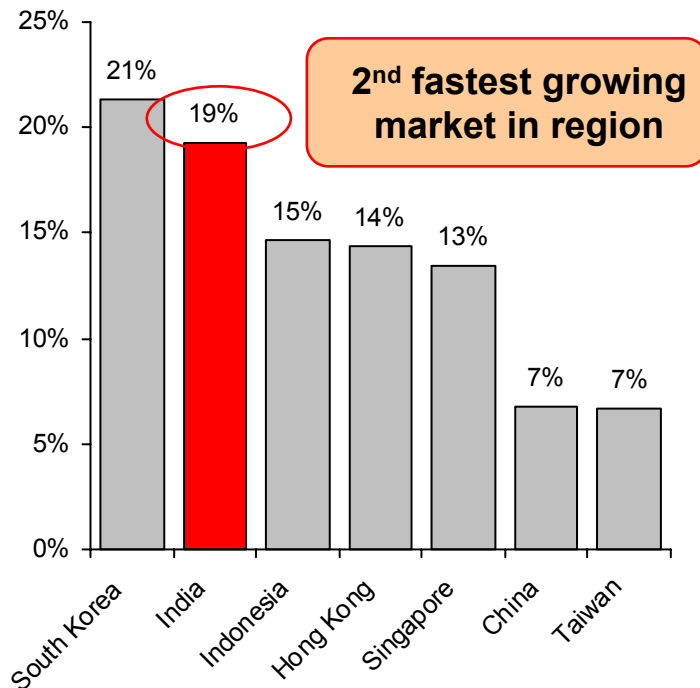
India : High Net Worth Individuals

Opportunity for portfolio management services growing

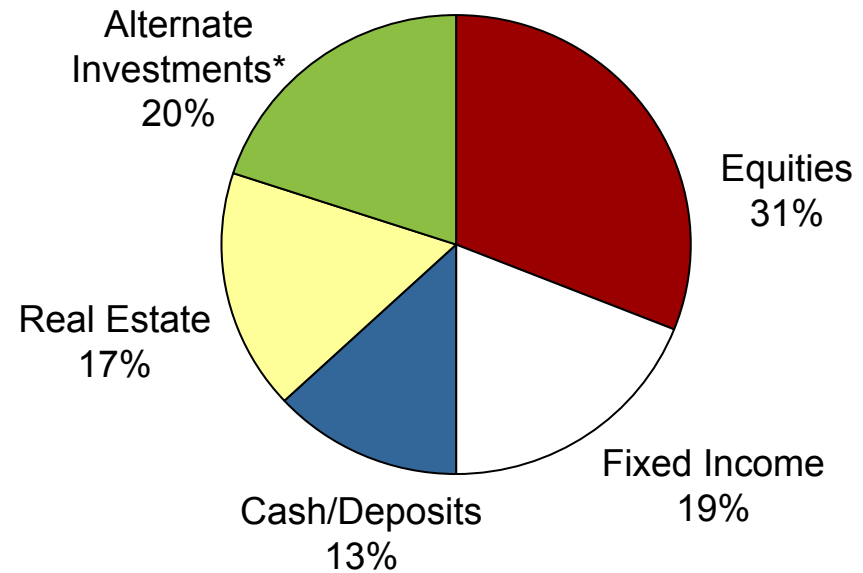


Growing wealth amongst HNWI is leading to increasing demand for alternate investment opportunities and wealth management services

HNWI Growth



HNWI Wealth Distribution



HNWI Wealth : GBP 155 Bn

* - includes Structured Products, Hedge Funds, Managed Futures, foreign currency, commodities, private equity and investments of passion

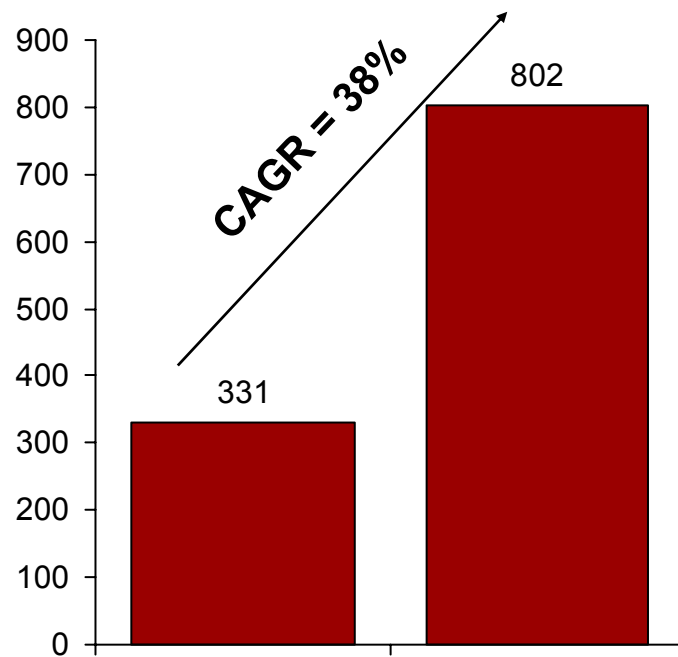


Prudential ICICI AMC : Customers Growth and demographics



Aggressive growth in retail customers; Equity, Non Metro and Agency key drivers

Retail Customer Growth (in '000)



	2003	Sep-06
FuM (GBP Bn)	1.88	3.53
Retail	24%	32%
Institutional	76%	68%

Growth in Focus Areas

	Contribution (%)	3 yr CAGR* (%)
• Asset (FuM)		
– Equity	32	97
– Non Equity	68	18
• Geography (Customers)		
– Metro	47	32
– Non Metro	53	64
• Channel (Customers)		
– Agency	37	59
– Non Agency	63	37

* - CAGR calculated for last 3 years i.e. Sep 03 – Sep 06



Prudential ICICI AMC : Products

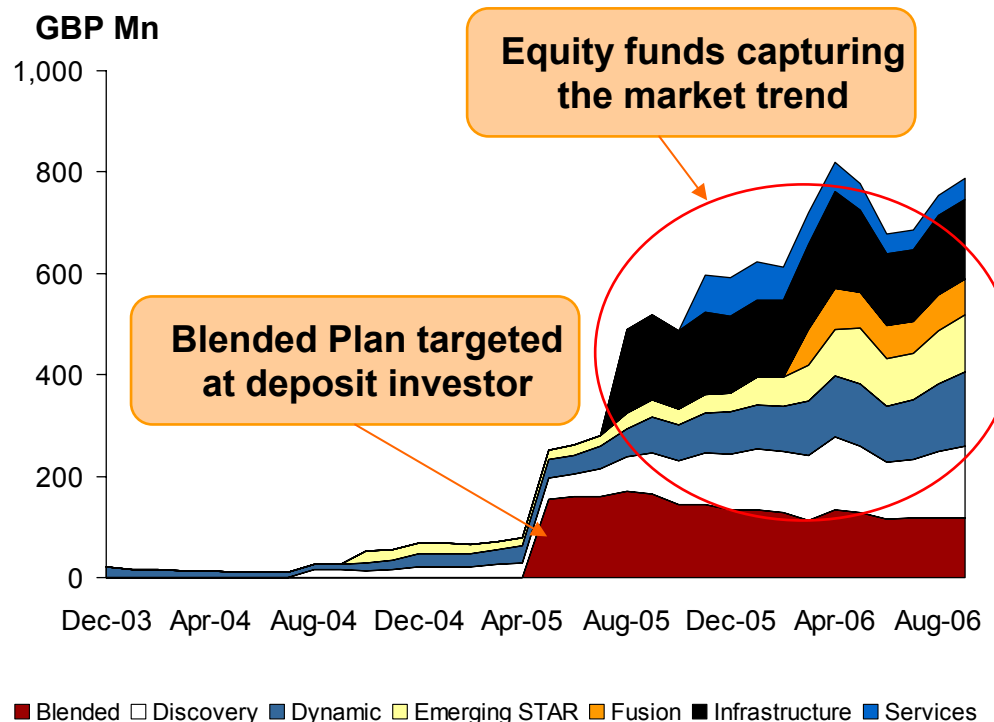
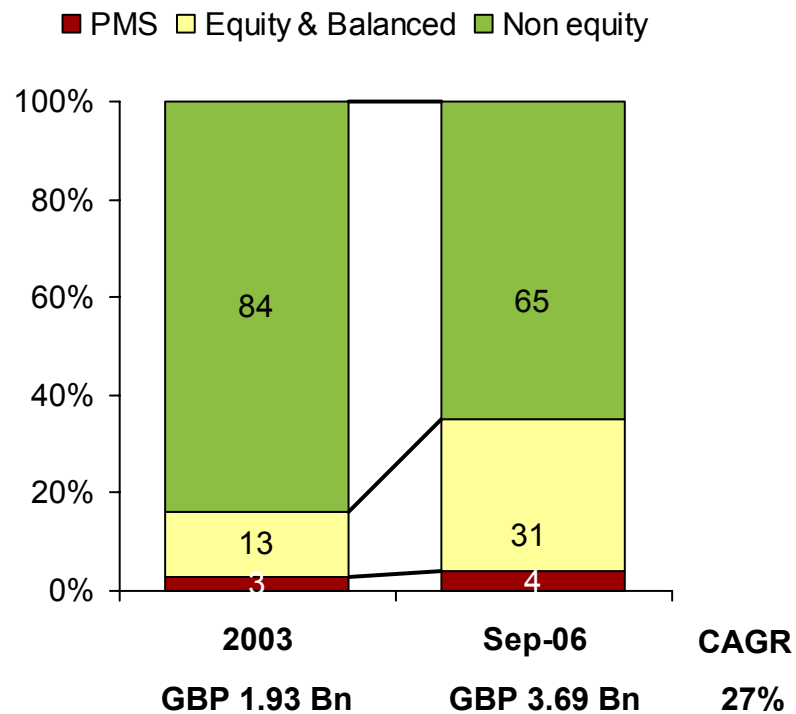
Strong customer proposition



Product launches capture market trends and opportunities

Capture buoyancy in equity markets through growth in equity assets

Launch funds to capture market trends and opportunities





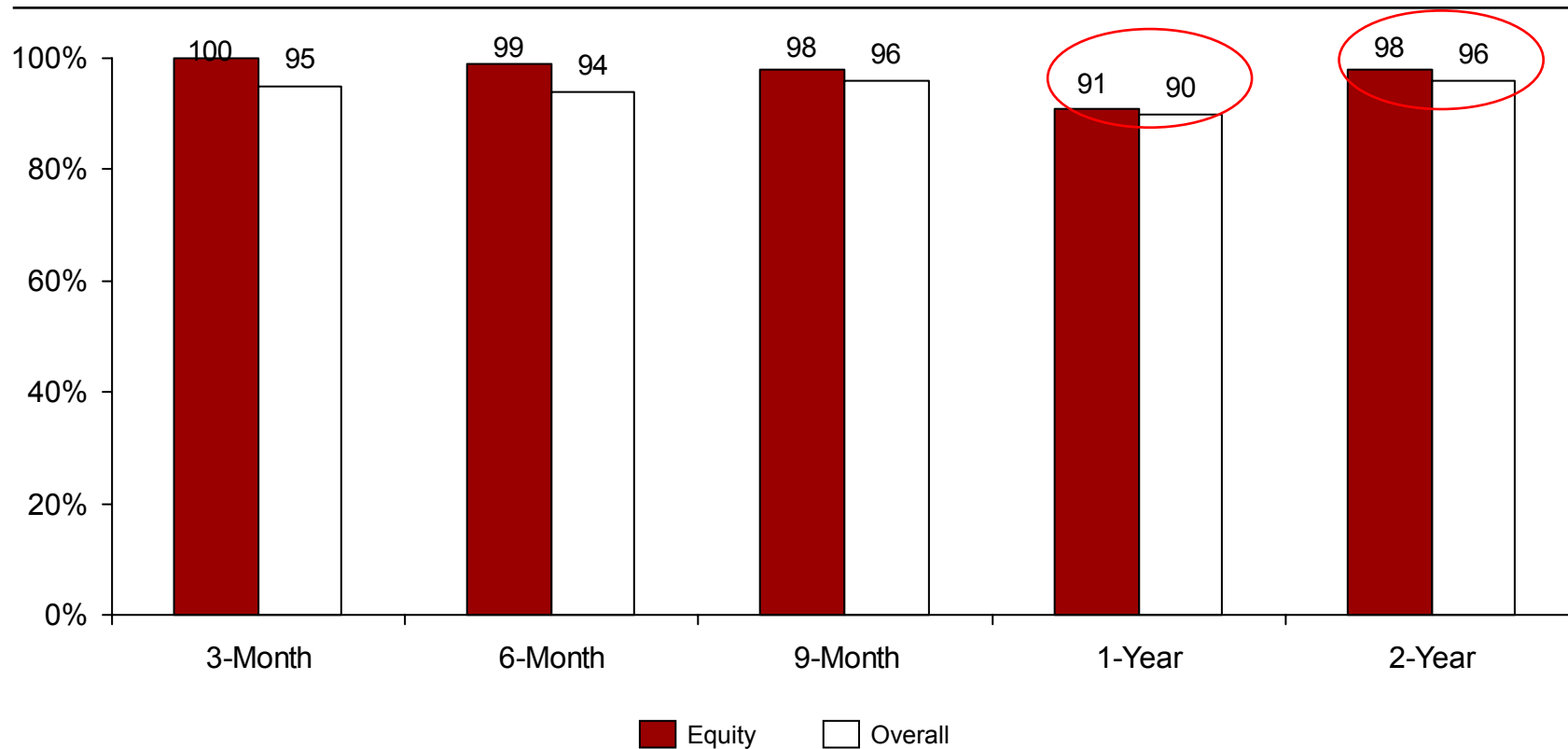
Prudential ICICI AMC : Performance

Superior fund performance across asset classes



We have a high quality team, disciplined investment processes, stringent risk controls and superior technology

Fund Performance – % of Funds in Top 2 Quartiles by FuM



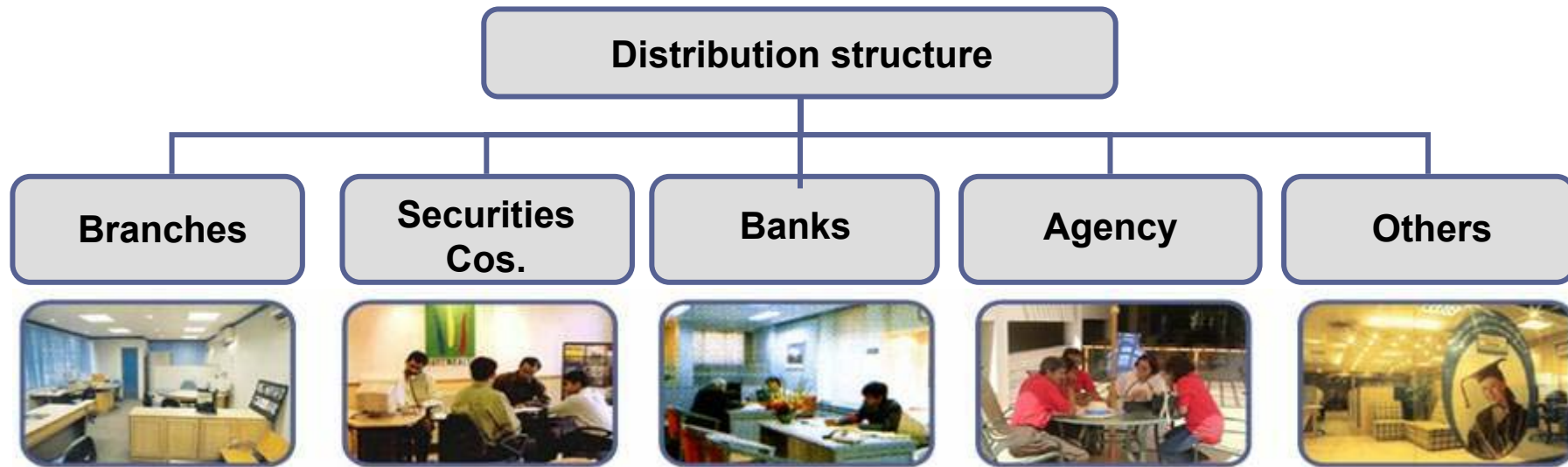


Prudential ICICI AMC : Distribution

Widespread geographic footprint



We have multiple channels; our focus is on growing banking and agency channels to drive retail penetration



Over 30,000 points of sale to access Retail, Institutional and HNWI customers



Prudential ICICI AMC : Distribution

Multiple channel focus



Leveraging existing relationships with banks and securities companies and expanding our own infrastructure and retail channels to capture the retail opportunity

Deepening existing material distribution relationships

Banks and Securities Cos.

+

Enhancing reach to increase retail penetration

Direct
 Presence - 220 locations
 Expand PoS to 200,000
 Geography coverage through hub and spoke distribution

Agency
 > 1.2 Mn Agents

Govt. owned Banks
 >40,000 branch network
 GBP 964 Bn deposit base

Capturing retail opportunity

GBP 380 Bn
 of existing
 and
 incremental
 financial
 savings



Prudential ICICI AMC : ICICI Bank parentage Significant benefits



ICICI Bank offers unique advantage of local knowledge, relationships, customer base and retail infrastructure



1

Potential Customer Base

– More than 15 Mn + retail customers

2

Access to other Financial Services Business (Group Cos.)

– Bank, Insurance, Investment Bank, Broking, Private Equity and Venture Funds

3

Local Distribution Advantage

– 625 branches, 2275 ATMs, 3000+ Kiosks, Franchisees and DSAs

Local advantage and unique position in local market



Prudential ICICI AMC : Brand Creating value



Strong brand equity is vital and we maintain a consistent focus on branding

Brands are a critical factor for customers' selection of mutual funds

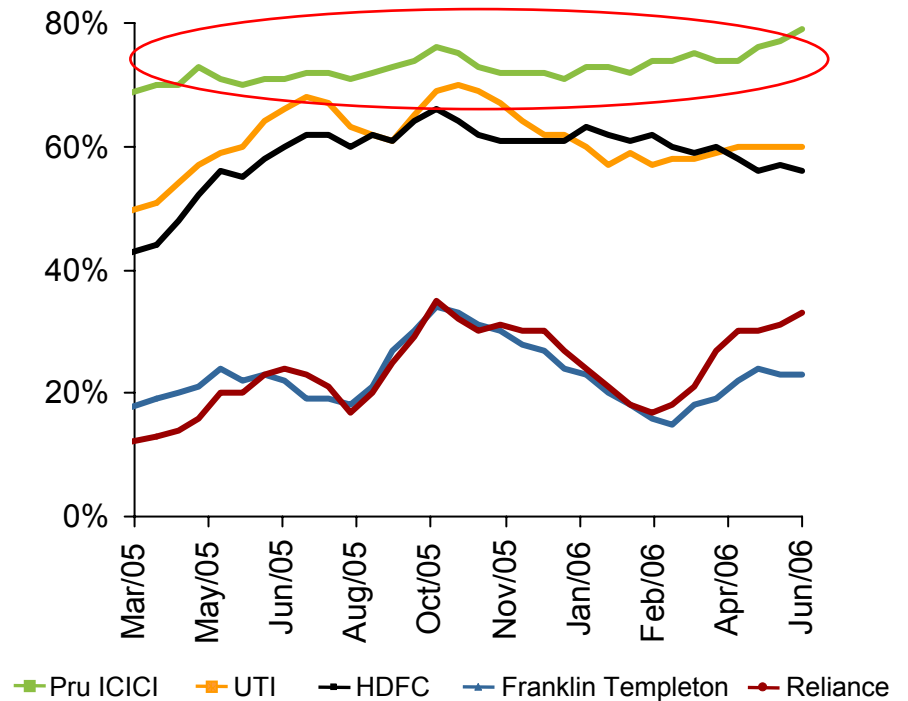
What we hear from the customers:

"The key criterion is company reputation, preferably with a track record."

"Key drivers for selecting a mutual fund company is its reputation"

"We are fed up with cheaters, so we are looking for and wanting a trustworthy company."

Spontaneous Brand Awareness



No.1 Brand Awareness and Preference amongst MFs (TNS Brand Tracker)

Source: TNS Brand Tracker for the period Feb 05-May 06 and TNS Brand Tracker Attribute Preference study for Nov 05 – Jan 06



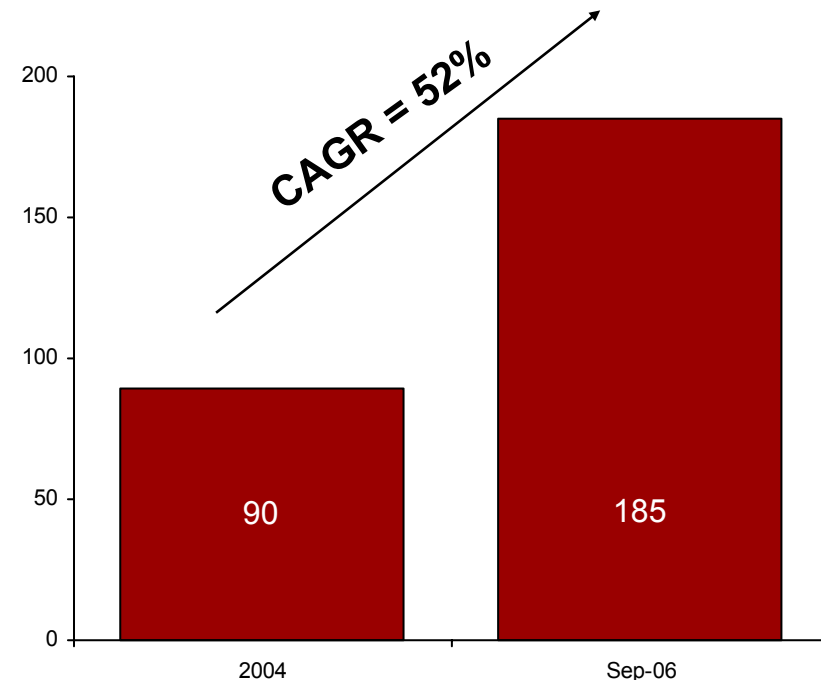
Prudential ICICI AMC : Customer engagement Improving wallet share



We are seeing significant success through directed programmes post acquisition

Customer Management Achievement in '05 Number of multi-product customers (in '000)

Retention	Customer Win Back Programme	23% Win Back rate holding GBP 173 Mn in FuM
Growth	Cross Sell / Up Sell	50% gross sales from existing customers – GBP 375 Mn
Value Add	Pru Tracker	21,774 Customers registered for Pru Tracker Service



Customer retention scores improved from 72% (2004) TO 85% (Sep 06)



Prudential ICICI AMC : PMS

Unique offerings



We have developed innovative products and services to capture the growth potential of PMS for HNWI

Constantly innovate products and services to capture HNWI wealth

Fund/ Services	Objective	FuM (GBP Mn)	
Advisory Business	As per mandate	646	Pru-ICICI is the only PMS to offer fixed income advisory
Equity Funds*	Capital Appreciation	116	
Real Estate Fund	Invest in real estate	9	Pru-ICICI is the only PMS to launch products for capturing alternate investments and real estate
Principal Protected Fund	Capital Guarantee Structure	74	
Personalized Website	Transparency and Service	NA	

* - Deep Value, Focused Fund and Absolute Return Fund



Prudential ICICI AMC : Offshore business Becoming significant



Leveraging on Prudential infrastructure and relationships to tap institutional mandates and offshore investors

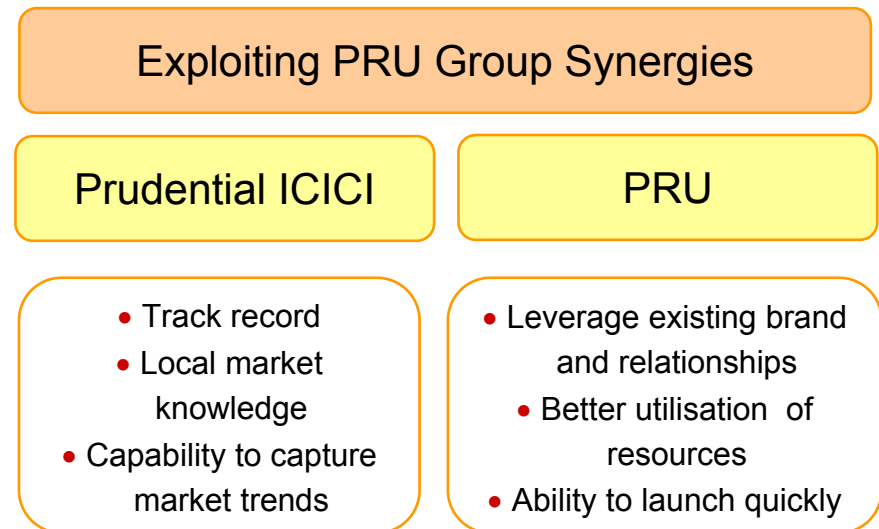
Leverage on Prudential Operations



Support from PCA countries to

1. Tap offshore investors for local funds
2. Create offshore funds for local investors

Example: India Infrastructure fund



Launch of India Infrastructure Fund in Japan raised over GBP 130 Mn in FUM



Prudential ICICI AMC : Awards and recognition

Awards from multiple agencies for all round performance



CNBC TV-18 Crisil Mutual Fund Of The Year Award – 2006

Readers Digest Platinum Award for “Trusted Brand 2006” –
Voted by the consumers

Asia Asset Management Award for The Most Improved Fund House Of The Year 2005 by Asia Investment Management

Ranked second “Most trusted Mutual Fund” brand as per
Brand Equity Survey for 2005

Marketing campaign won the Bronze Effie 2003 for advertising
effectiveness in the services category





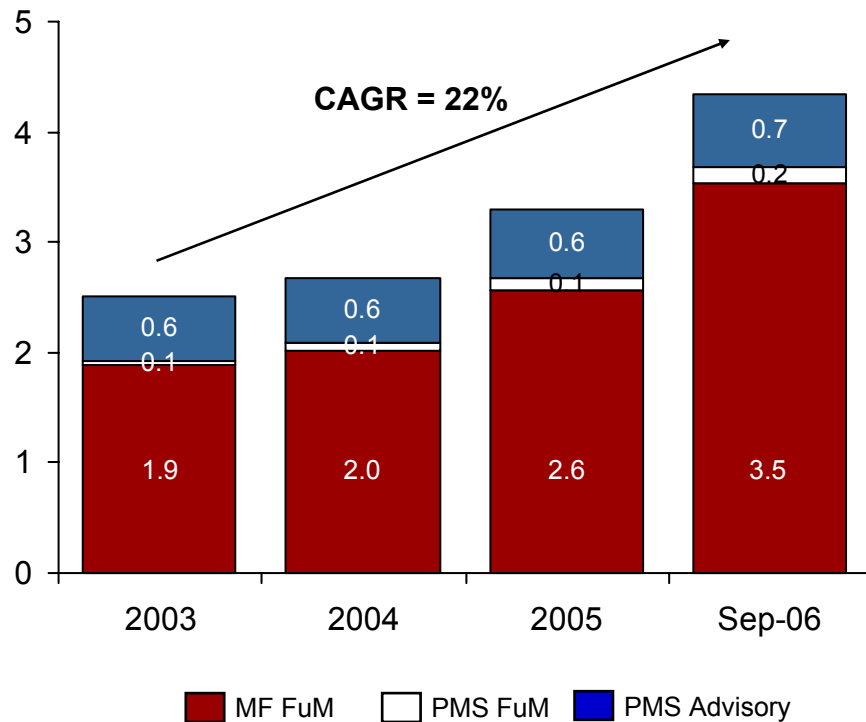
Prudential ICICI AMC : Financials

FUM and Earnings

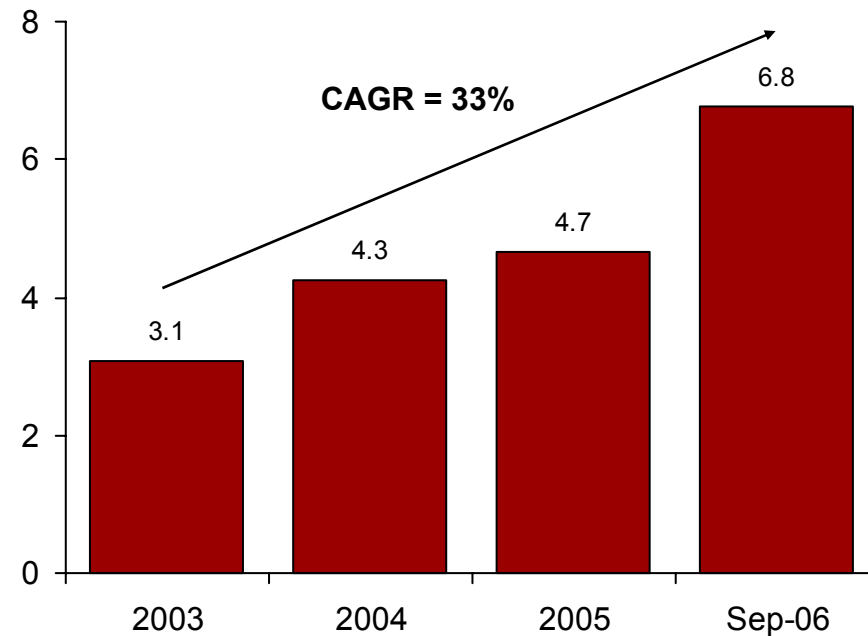


Significant growth in FUM and profits year on year

FUM (GBP Bn)



PBT (GBP Mn)





Prudential ICICI AMC : Market Ranking Leadership position



We are ranked 1st in the private sector in India, 2nd overall

Mar 98

Fund	Rank	Mkt Share
UTI	1	83.43%
SBI	2	2.62%
Canbank	3	2.58%
LIC	4	1.99%
BOI	5	1.43%
GIC	6	1.24%
Morgan Stanley	7	1.06%
Birla	8	0.95%
JM	9	0.87%
IDBI	10	0.49%
DSP ML	11	0.43%
Kothari	12	0.40%
Templeton	13	0.28%
Pru ICICI	14	0.24%
Alliance	15	0.22%

Oct 06

Fund	Rank	Mkt Share
UTI	1	11.69%
Pru ICICI	2	10.68%
Reliance	3	10.26%
HDFC	4	8.75%
Templeton	5	7.63%
Birla	6	6.75%
SBI	7	5.63%
DSP ML	8	5.13%
Kotak	9	4.27%
Tata	10	4.14%
HSBC	11	3.91%
Stanchart	12	3.62%
Principal	13	3.47%
LIC	14	2.38%
Deutsche	15	1.63%



Focus going forward Initiatives to strengthen our market leadership



Our Customer Focus

- Retail MF – SEC A&B (35-64) in urban India and non-urban India
- Institutional – SMEs, Trusts, PSUs, Pensions and FIIs
- PMS – HNWIs, Ultra HNWIs and institutions
- International Business – Foreign investors, NRIs and institutional mandates

- Provide differentiated service offerings based on customer profitability

- Multiple channels of communication to improve brand relevance



- **MF** : Life stage funds and alternate asset class products
- **PMS** : Structured products, Managed A/cs, Private Equity and Real Estate
- Increase geographic coverage and grow POS to tap retail opportunity
- Focus and grow agency and government owned Banks for retail penetration