



**Prudential:  
Leading in Asia**

# **Asia : A Material Market**

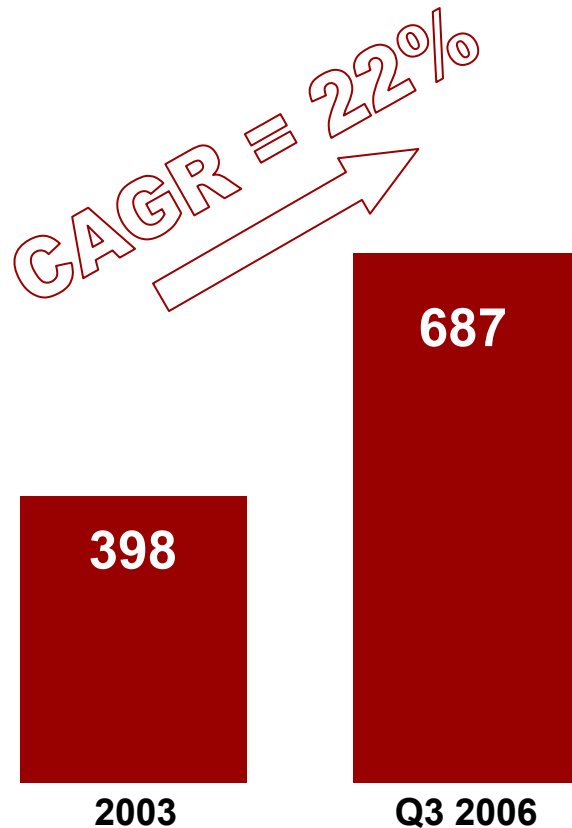




# Mutual funds market in Asia

## Large, growing and attractive

### Asian market size and growth (GBP Bn)



		FUM Q306 (GBP Bn)	FUM 2003 (GBP Bn)	03-Q306 CAGR (%)
	Japan	419	217	27
	Korea	130	83	18
	China	34	12	48
	India	34	16	33
	Taiwan	31	43	(11)
	Hong Kong*	22	18	8
	Singapore	9	6	16
	Malaysia**	7	4	23

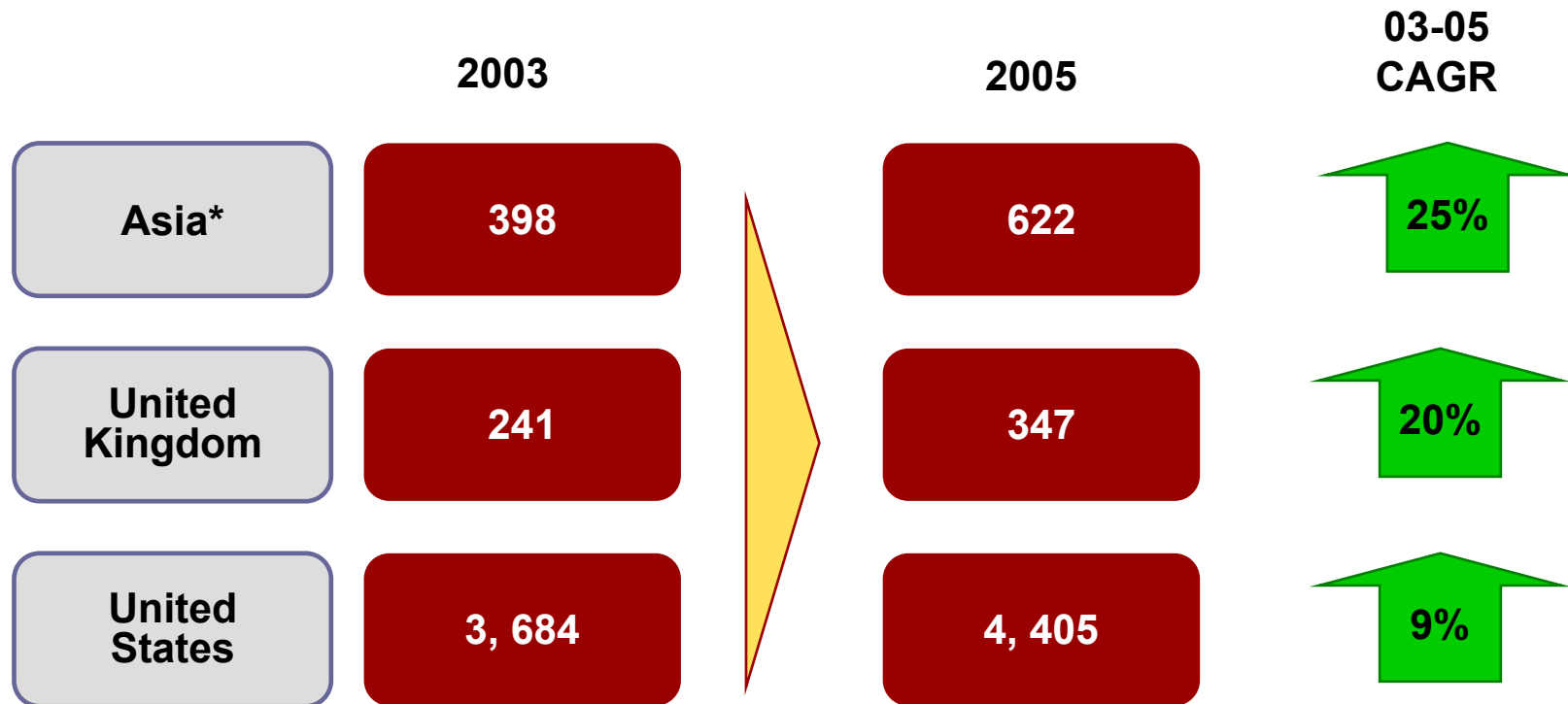
Source: Cerulli Associates, Monetary Authority of Singapore, Association of Mutual Funds in India, Securities Inv Trust Association, KITCA, \* local retail funds only, \*\*Securities Commission of Malaysia (private funds only)  
FUM = Funds Under Management



# Growth of mutual funds markets

The Asian mutual fund market is growing faster than the UK and the US

Mutual funds market FUM (in GBP Bn)



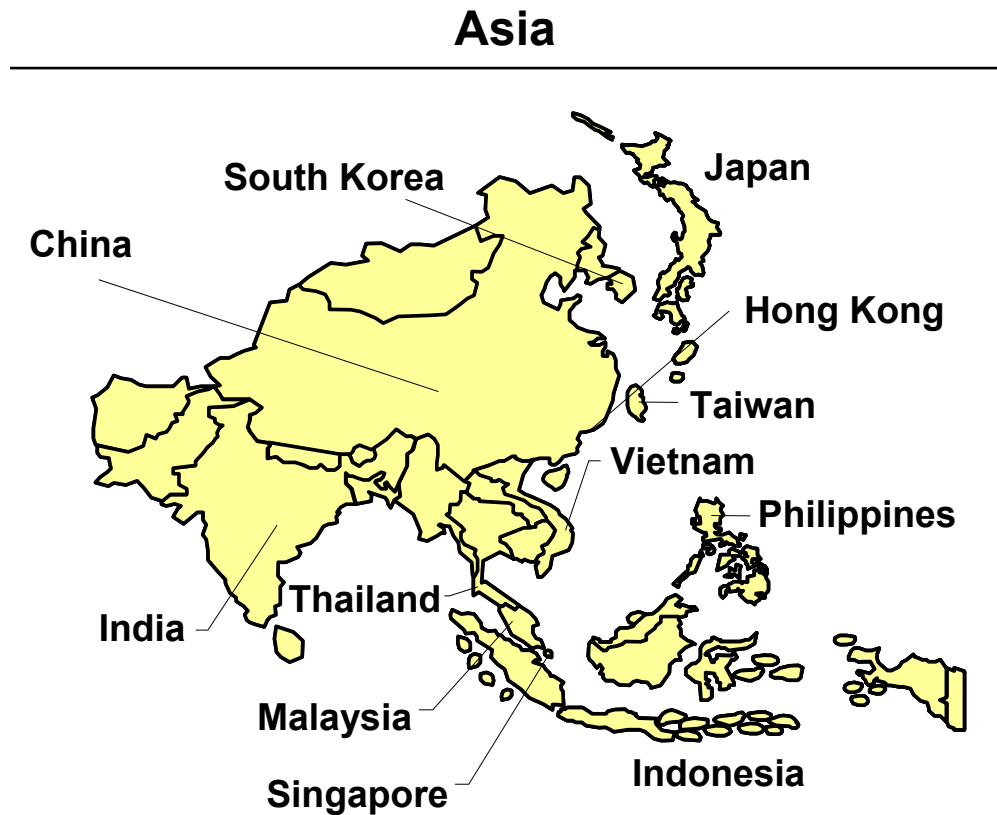
Source: Cerulli and Internal Research \* Asia comprises 9 countries that PCA operates in



# Customers

There are presently 450mn potential mutual fund customers in Asia

## Asian population by countries



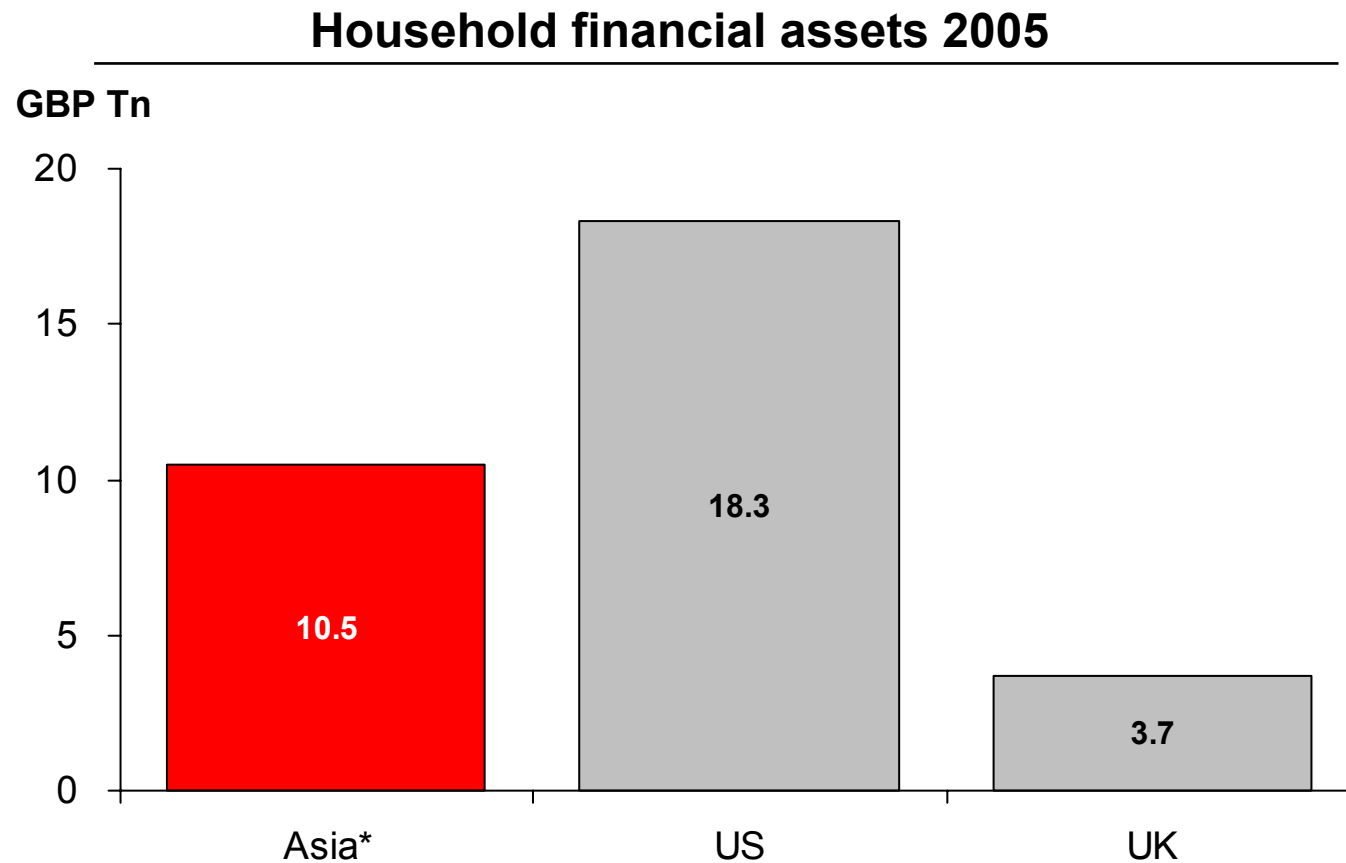
		<u>Million</u>
	China	1,315
	India	1,110
	Japan	128
	Vietnam	85
	Korea	49
	Malaysia	26
	Taiwan	23
	Singapore	4
	Indonesia	221
	Philippines	83
	Thailand	64

**Total** 3,108



# Asian household financial assets

Household financial assets are 3 times the size of UK and half the size of US



Source: Citibank, Internal Research \* Asia comprises the twelve countries PCA have presence in

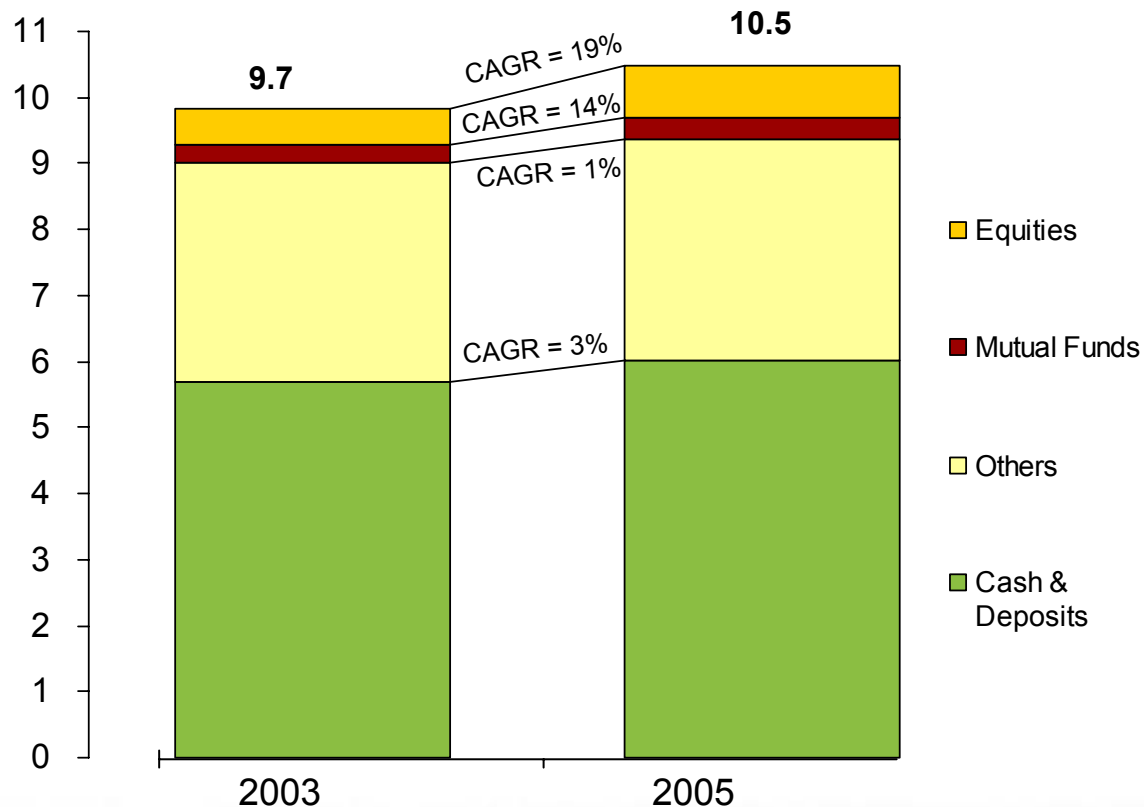


# Shift in Asian household financial assets

Increase in demand for equities and mutual funds

## Asia's\* household financial asset mix

GBP Tn



### Key growth drivers:

- Strength of Asian equity markets
- Improved consumer sentiment and business confidence
- Growing realisation that cash savings will not be adequate to meet financial goals

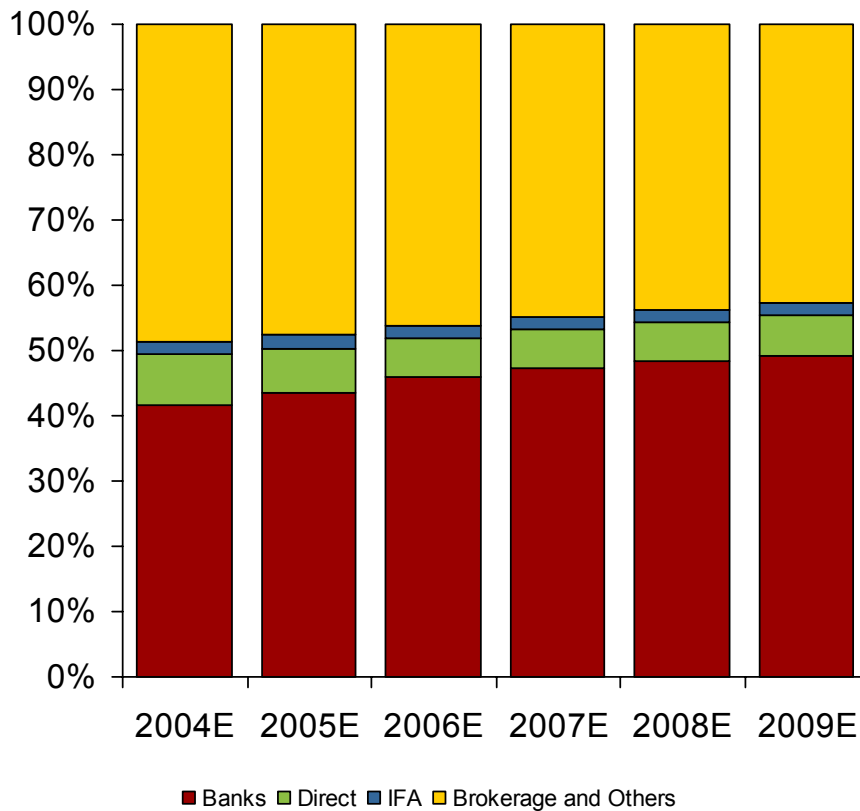
Source: Citibank, Internal Research \* Asia comprises the twelve countries PCA have presence in



# Distribution channel

**Banks are expected to dominate distribution of mutual funds**

**Asia mutual fund FUM market share by channel, 2004-2009**



Source: Cerulli Associates

**Major banks' presence in Asia**





# Mutual funds in Asia

## Opportunities for growth

1. Large population
2. Positive economic outlook and growing wealth
3. High propensity to save
4. Very low penetration for mutual funds
5. Increasing needs for investment vehicles
6. Increasing awareness for retirement needs

Penetration of mutual funds:  
Mutual funds as a % of total household  
financial assets

