

Aditya Birla Financial Services Corporate Presentation

An Aditya Birla Financial Services Group Company



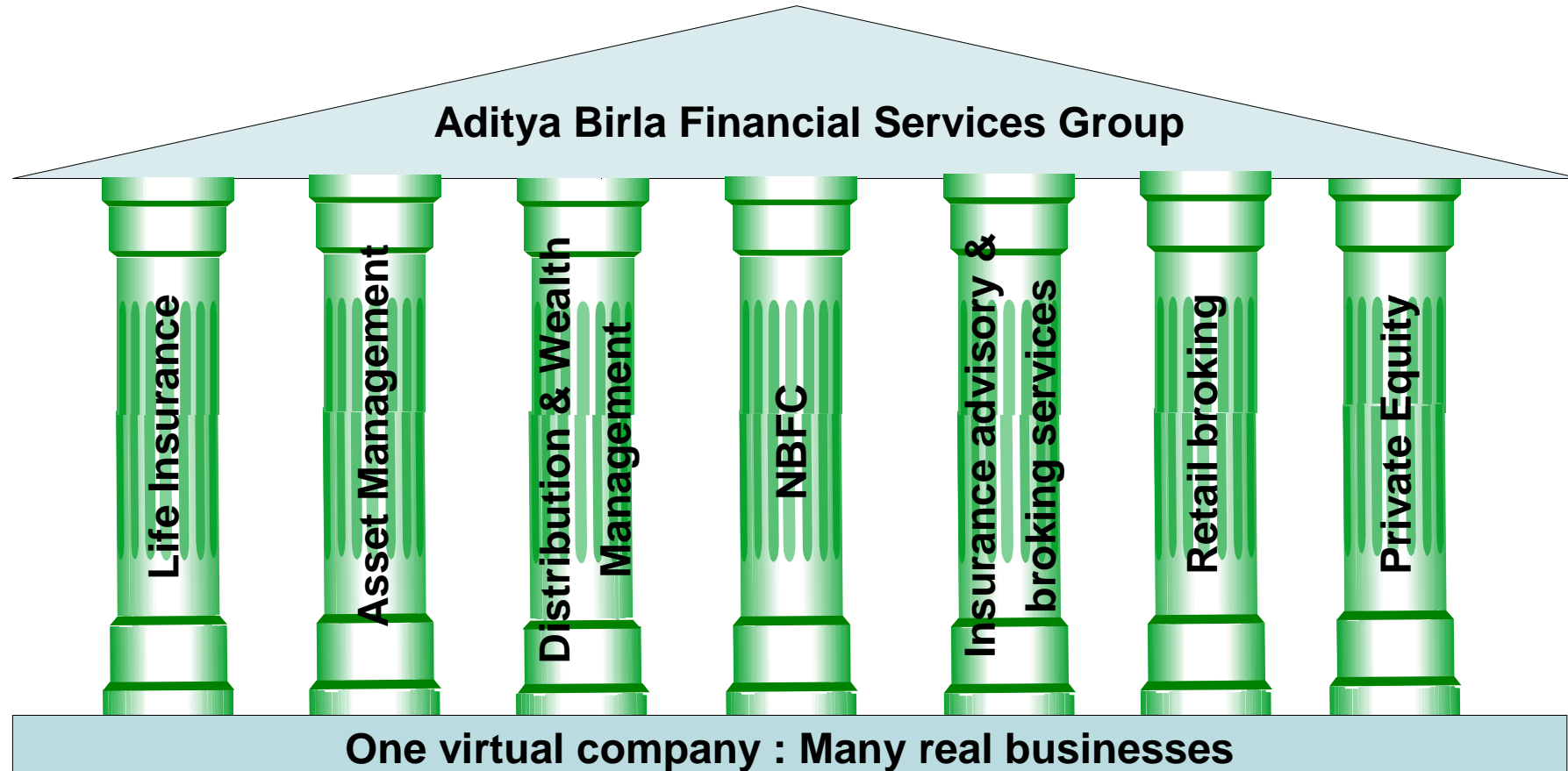
Aditya Birla Financial Services Group (ABFSG)

ABFSG Vision



To be a **leader** and **role model** in financial services,
with a **broad based** and **integrated** business

Aditya Birla Financial Services Group : Our Structure



To leverage synergies and be more competitive and cost effective

The results so far...

- Built scale across FS entities, achieving top 5 positions in Life Insurance and MF
- Balance between top line and bottom line growth
- Product innovation an edge
- Broadened and deepened distribution
- Strong investment performance
- Building scalable platforms in ops and IT
- Built and retained strong team
- Built value for the shareholders

Birla Sun Life Insurance

Key Messages

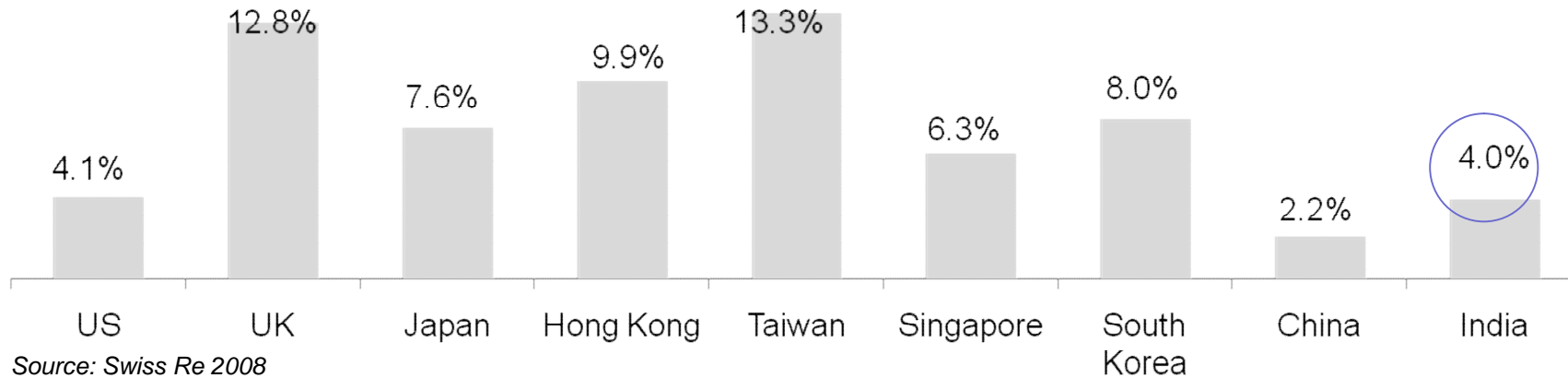


- With over a billion people, a fast growing economy, rising affluence, high savings rate and low penetration, India is an attractive market for life insurance products.
- BSLI is a top 5 player in this market with new business premium of Rs.28,239 Mn in 2008-09 and a market share of 4.3%. Currently Ranked 5th as on Jun'09
- With a strong brand, innovative products, a growing agency channel , a large third party distribution network and efficient operations, BSLI is well positioned for sustainable profitable growth
- BSLI's strategic priorities for the current year are:
 - Balanced Growth
 - Building a stronger franchise
 - Excellence in execution
 - Building a company of leaders

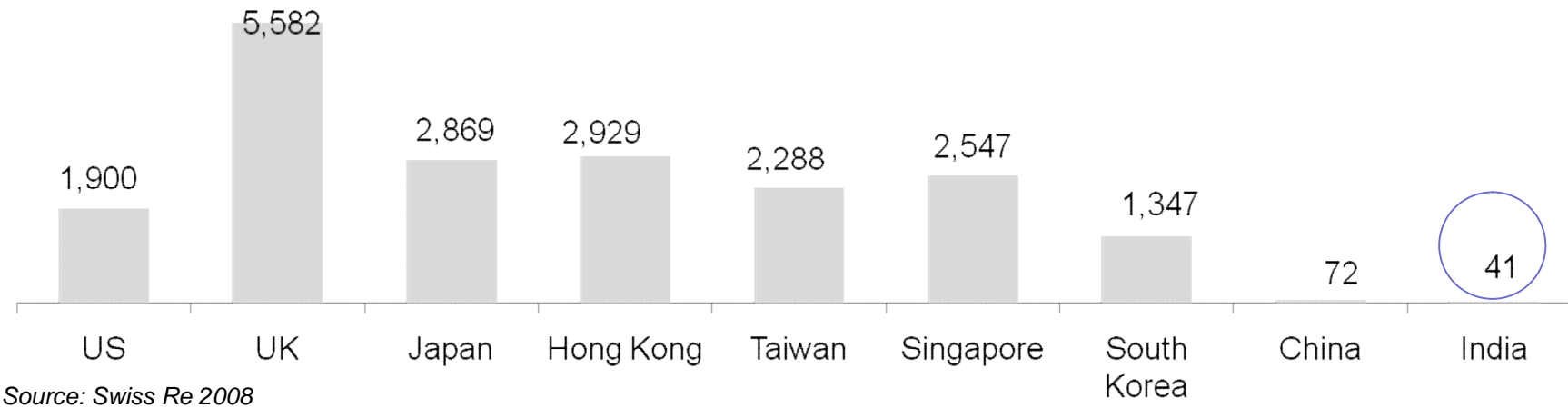
Indian Life Insurance market

Life Insurance has strong growth potential...

Insurance Penetration as % of GDP

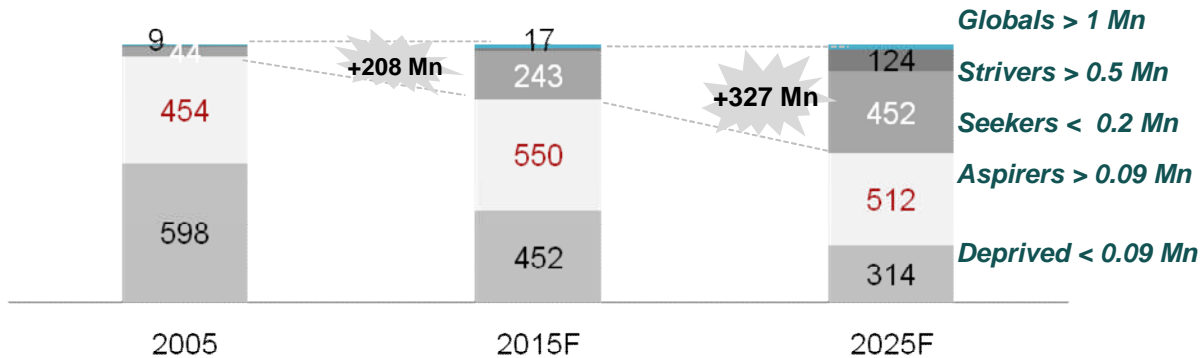


Insurance Density (Premium Per capita) in USD



Life Insurance has strong growth potential...

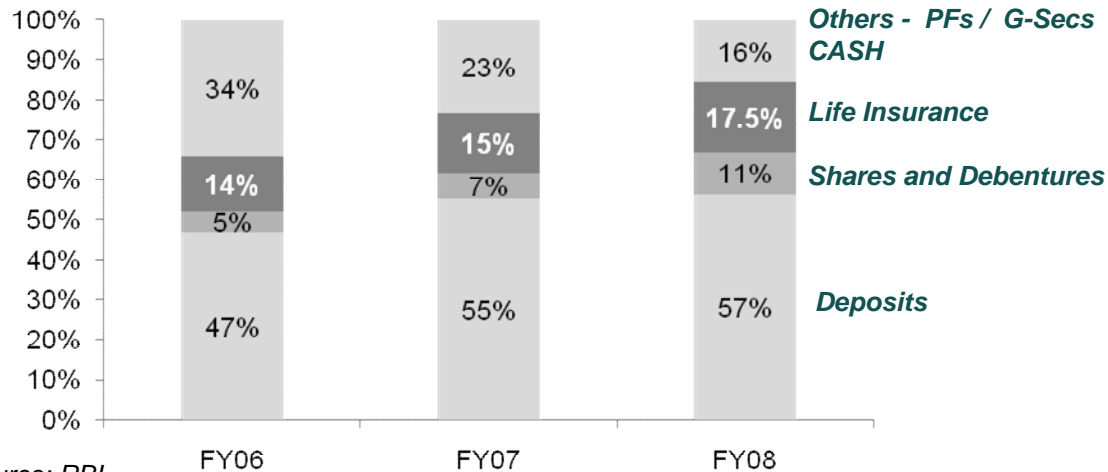
Increasing Middle Class Population (in Mn)



Source: Mckinsey

- Burgeoning Middle Class Segment
- Superior demographic population augurs well for Indian Life Insurance industry.

Increasing Insurance Component to financial Savings %



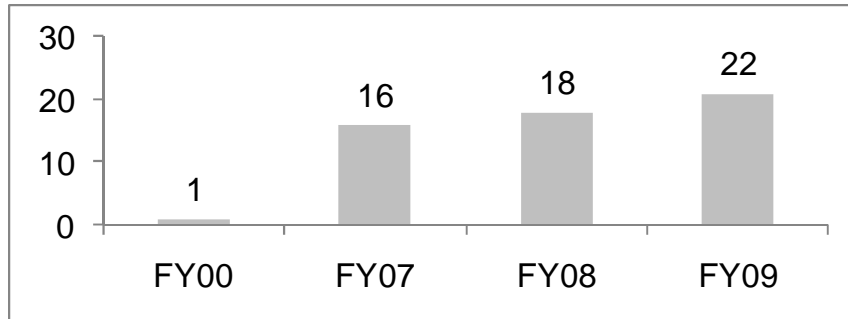
Source: RBI

- With young & educated population financial savings to see a further shift

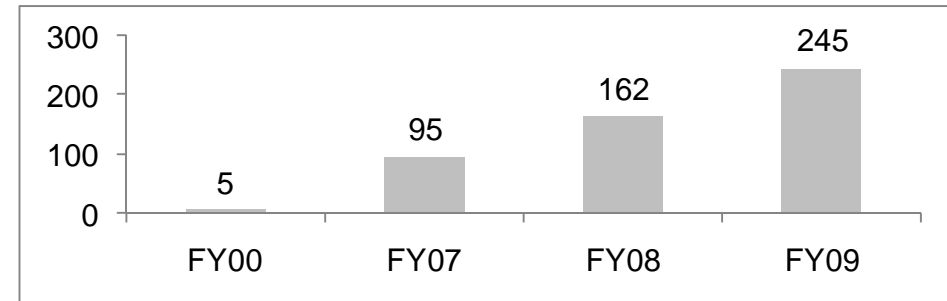
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Changing Contours of Life Insurance

Number of Players in the Industry

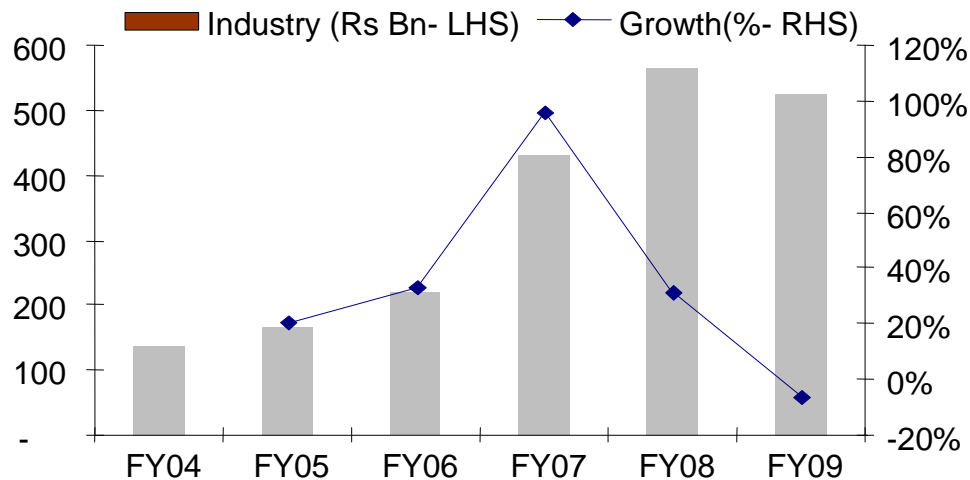


Capital Employed in the Sector (in Rs Bn)

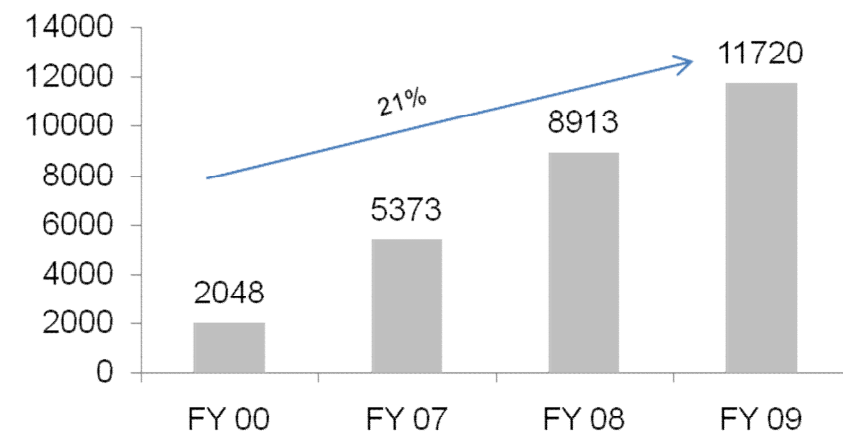


Source: Life Insurance Council

Unprecedented yoy growth in APE



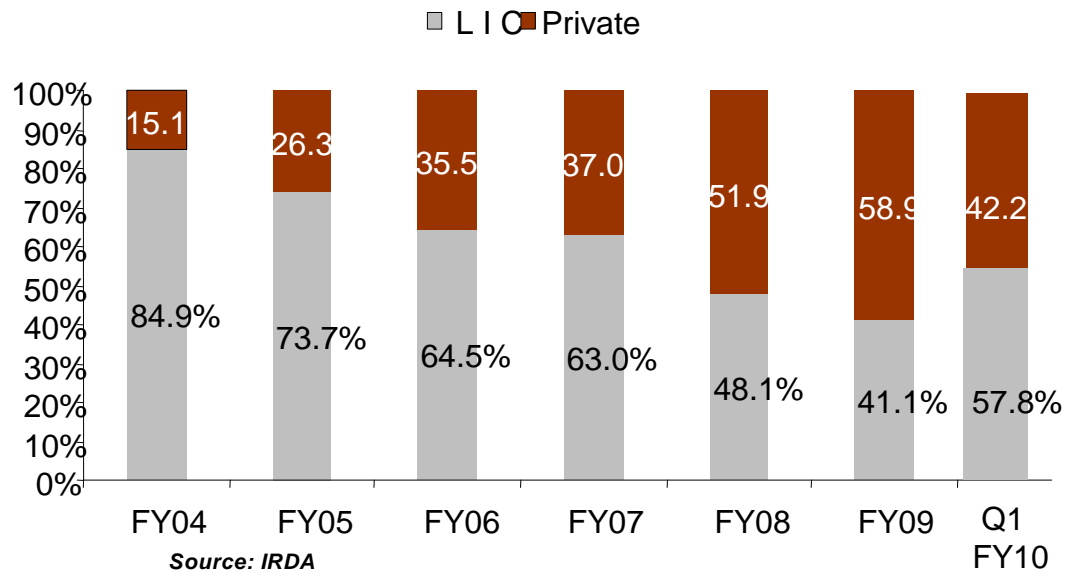
Increase in Distribution Reach - Branches



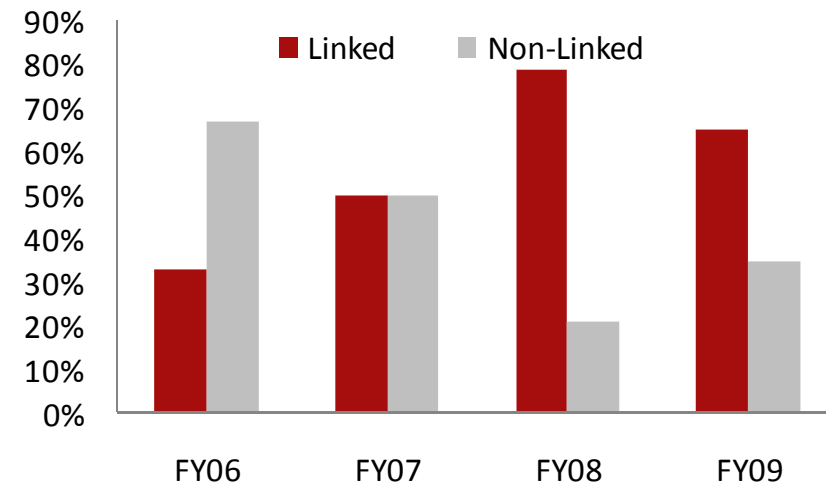
Source: Life Insurance Council

Changing Contours of Life Insurance (cont'd)

Market Share Trend



ULIP dominates the incremental business



Our Parentage



Aditya Birla Group (ABG)

- India's first truly multinational corporation
- US \$29 billion Corporation operating in 25 countries
- Expertise
 - ✓ Infrastructure
 - ✓ Brand
 - ✓ Knowledge of local market
 - ✓ Best employer



Sun Life Financial

- Canadian company which has operations in key markets worldwide
- Expertise
 - ✓ Insurance expertise & best practices
 - ✓ Products and actuarial

Company Background

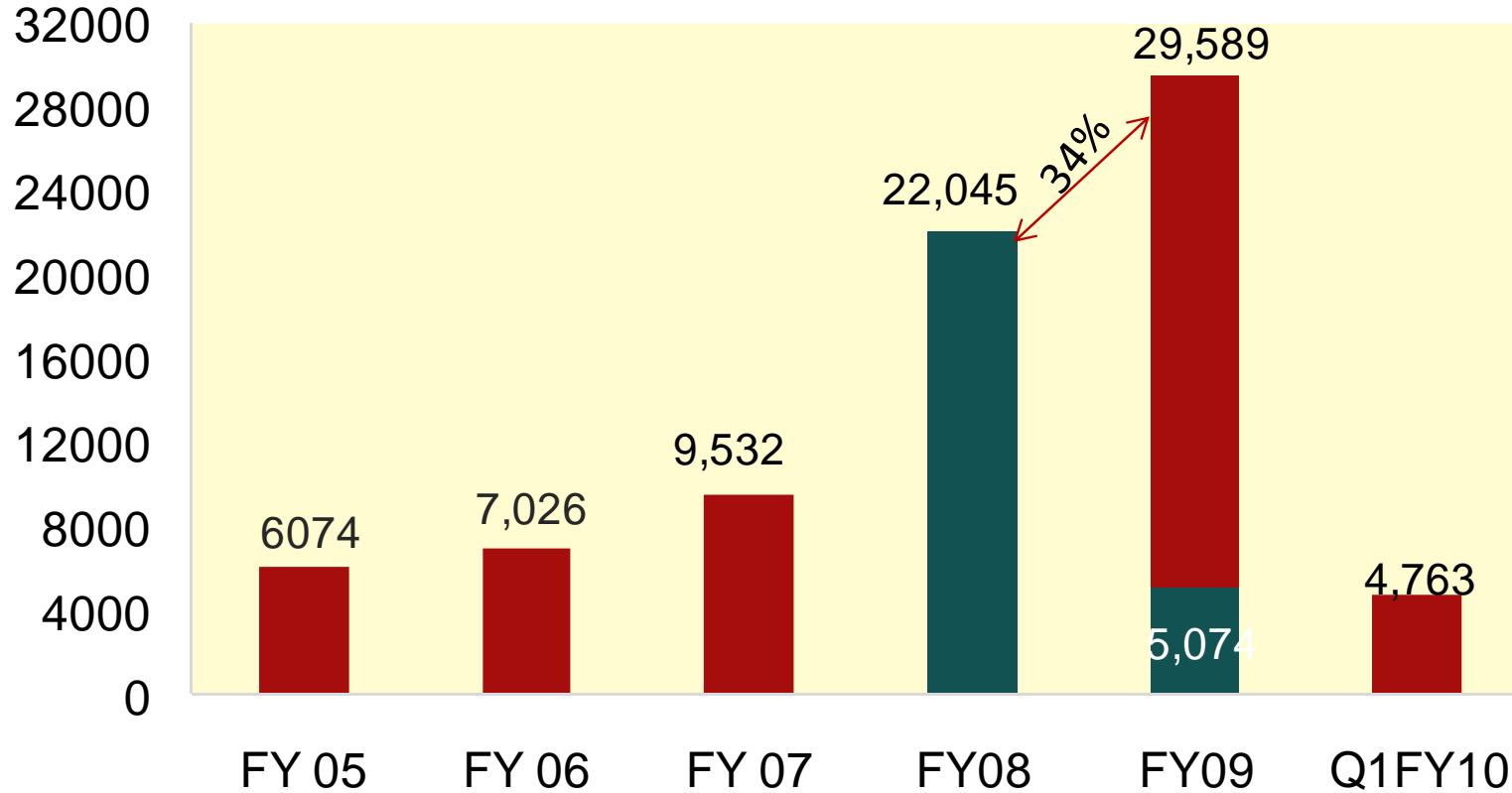


- Commenced operations in 2001
- Redefined the Indian insurance market with introduction of Unit Linked products
- Multi-channel distribution
- Several best practices to our credit – Illustration based selling, Freelook etc
- Many 'Firsts' to our credit including start of issuance of daily NAVs of funds, etc.
- Comprehensive product portfolio to meet customer needs for all life stages

New Business Growth- APE*



(INR Mn)

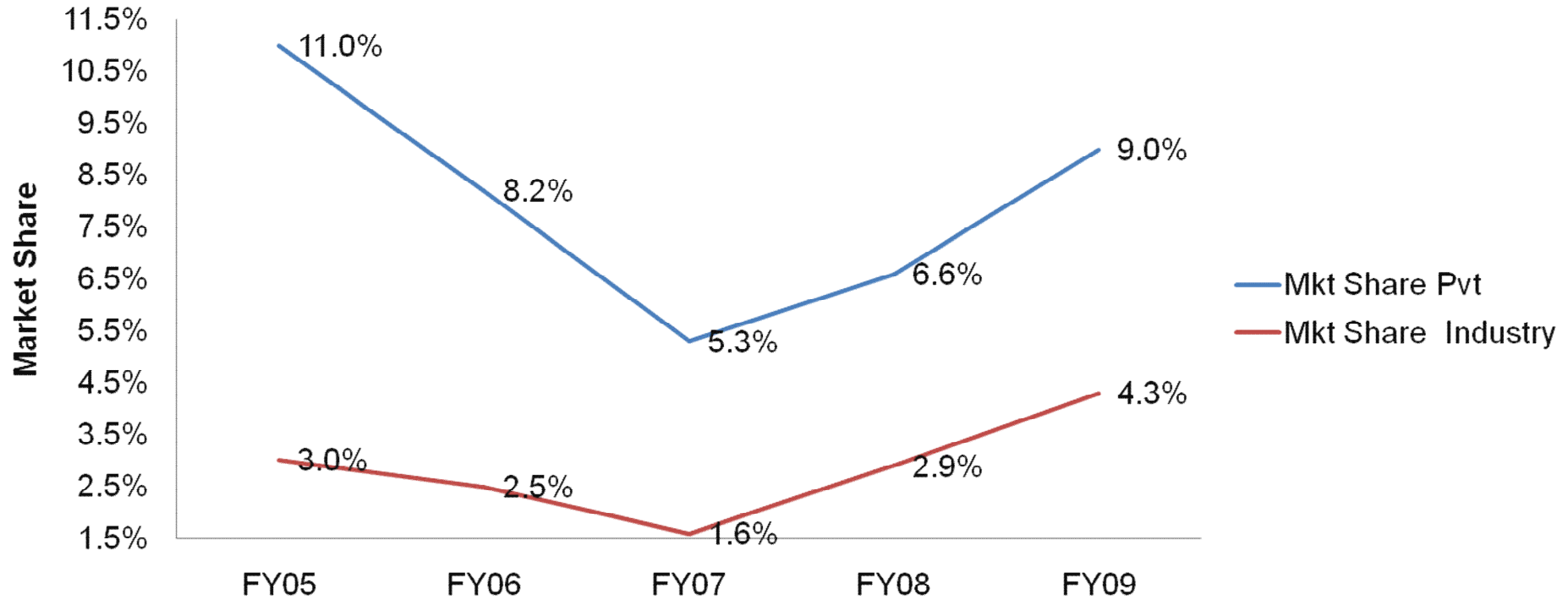


For past two years and more, BSLI has stayed ahead of the market

**Annualised Premium Equivalent*

An Aditya Birla Financial Services Group Company

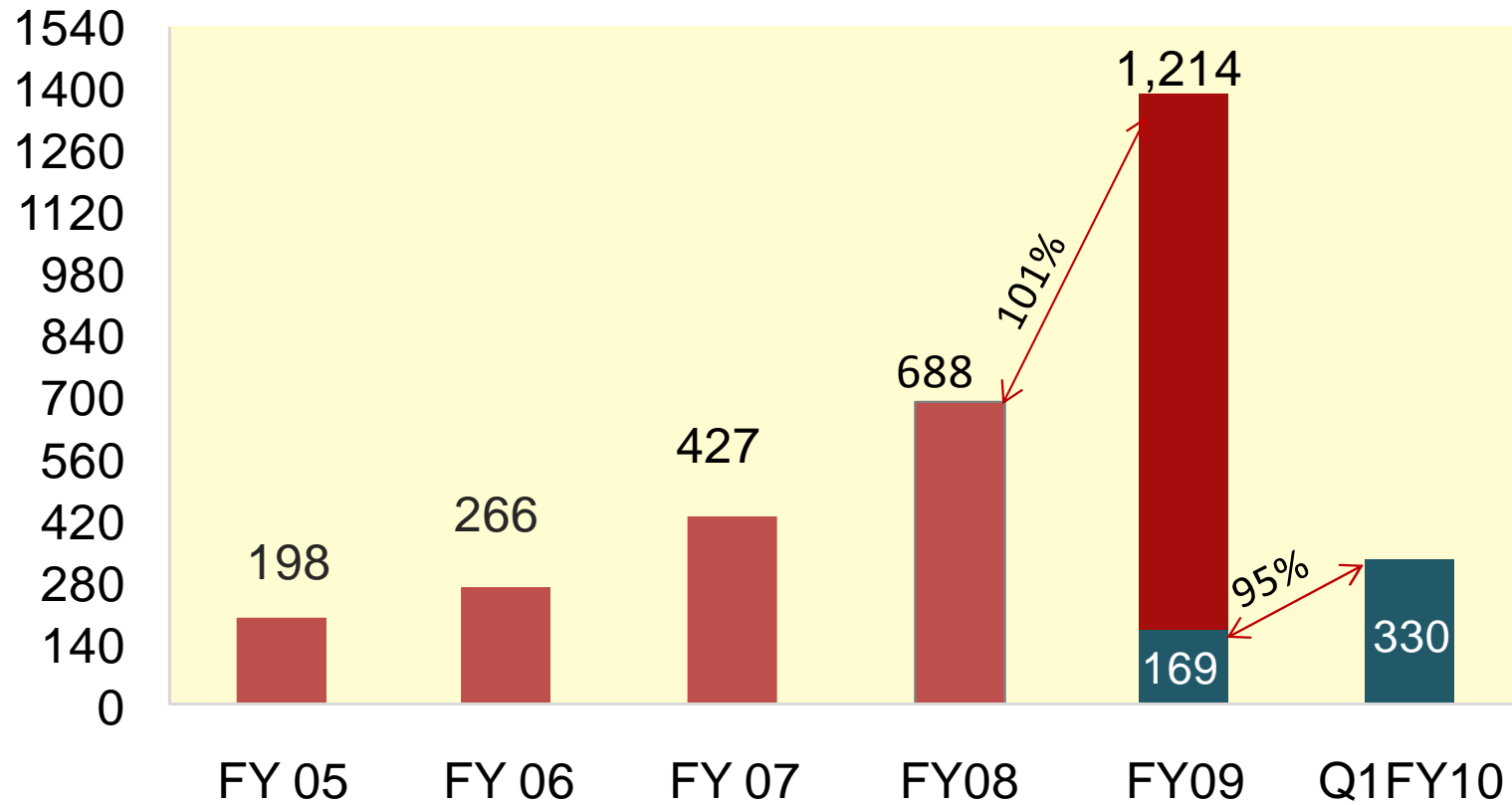
Increase in Market Share



- Increased Market share among private players to 8.7% in Q1 FY10 from 8.1% in previous year.
- Market share of 10% in the month of Jun'09. Currently Ranked 5th

Total Policies Growth

(Pol '000)

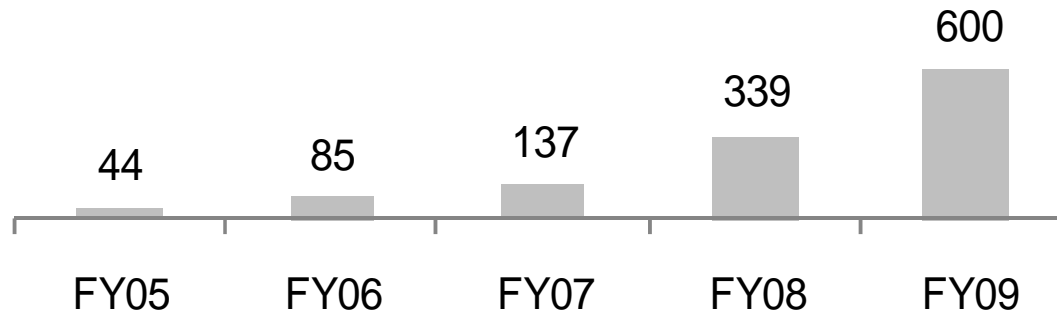


New Policies issued grew by 101% in FY09

Strengthening Distribution

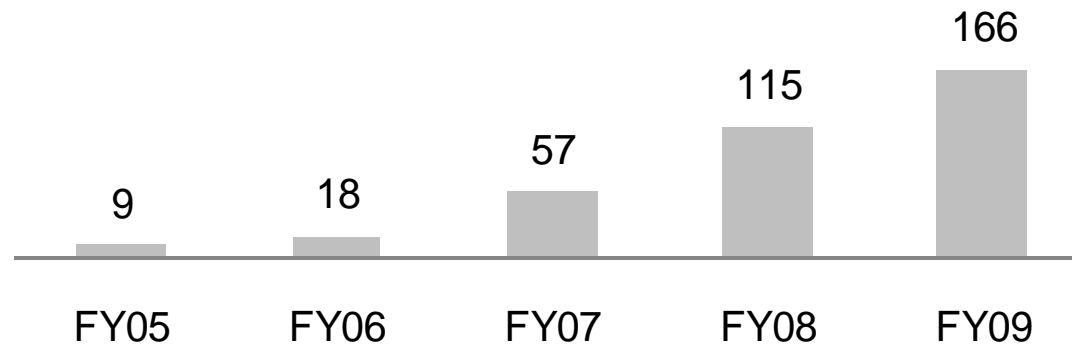


No. of Branches



Additionally, 52 Rural Kendras Operationalized in Q1 to tap rural potential

No. of Agents ('000)



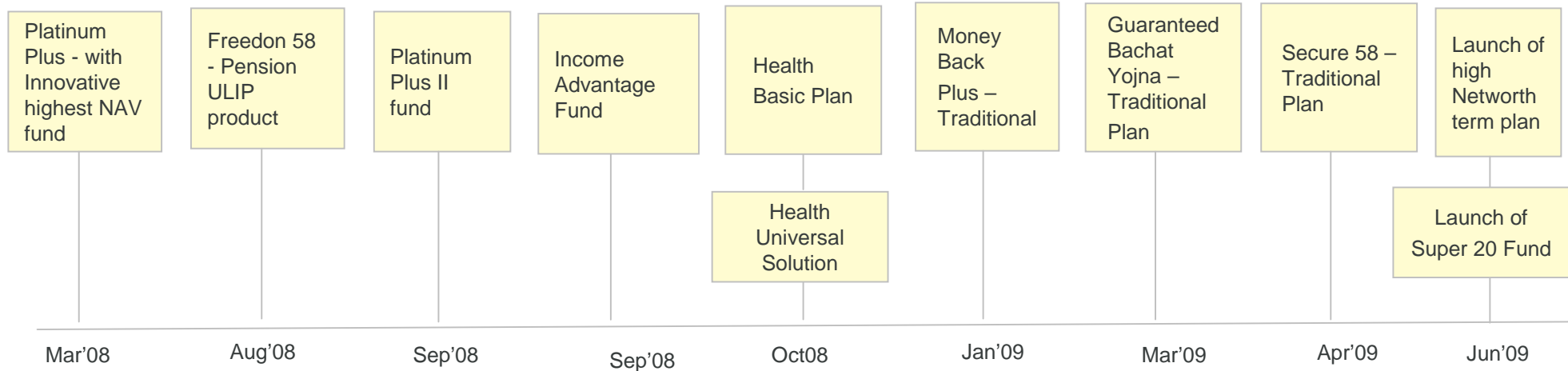
Plans to reach 200,000 advisors By Mar'10

- No. of Corporate Agents and Brokers increased from 229 in FY08 to 489 in Jun'09

Strengthening Product Portfolio – Leading Innovation



Launch of Products & Fund



Comprehensive Product Portfolio- Products catering to all customer needs

PROTECTION	CHILDREN'S FUTURE	WEALTH AND PROTECTION	RETIREMENT	HEALTH AND WELLNESS
<ul style="list-style-type: none"> ▪ Term Plan ▪ Premium Back Term Plan ▪ High Networth Term Plan 	<ul style="list-style-type: none"> ▪ Children's ▪ Dream Plan 	<ul style="list-style-type: none"> ▪ BSLI Flexi Plans ▪ Dream Plan ▪ Saral Jeevan Plan ▪ Platinum Plus II ▪ Classic Life Premier ▪ Gold Plus -II ▪ BSLI Supreme 	<ul style="list-style-type: none"> ▪ BSLI Freedom 58 Plan ▪ FSRP-II 	<ul style="list-style-type: none"> ▪ Freedom 58 ▪ Secure 58

Offering Most Comprehensive Fund Basket



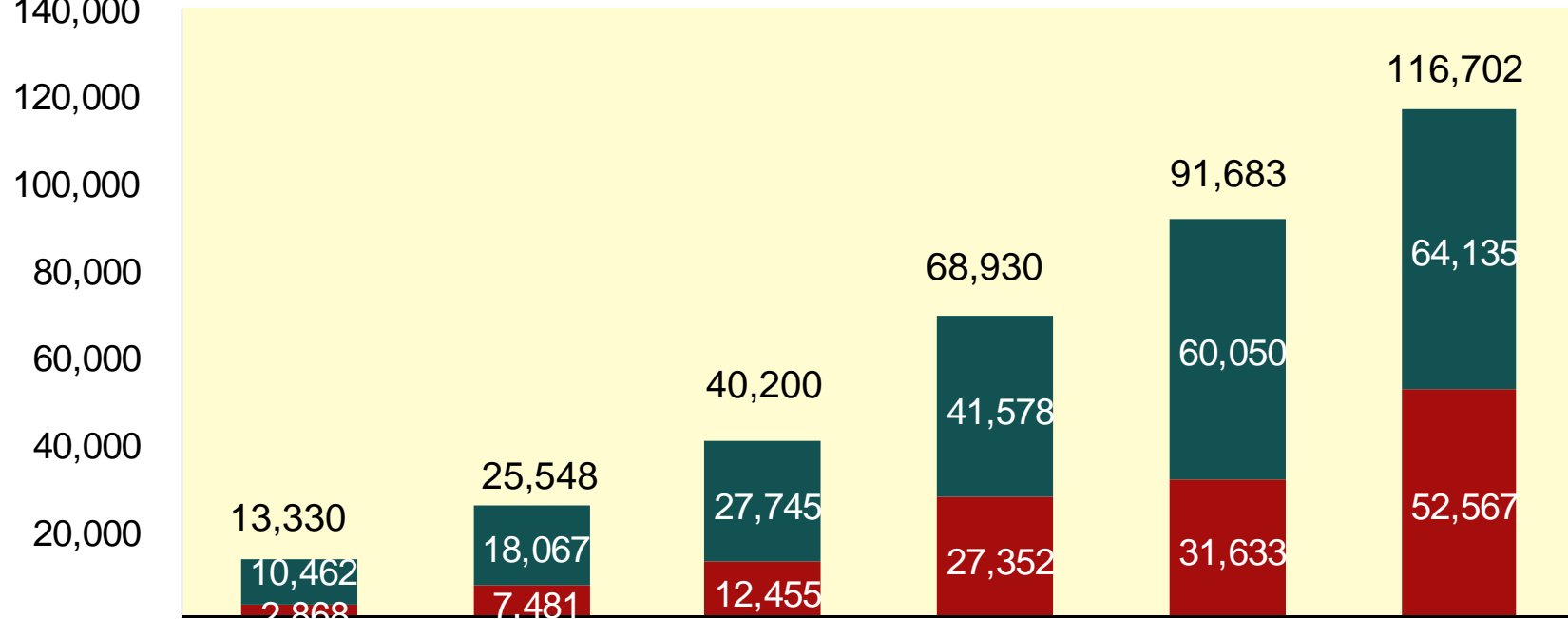
		Asset Allocation																	
Sr No	Company	Pure Debt	Liquid Fund	Floating Rate Fund	Bond Fund	Gilt Fund	Upto 10% Equity	Upto 20% Equity	Upto 30% Equity	Upto 40% Equity	Upto 60% Equity	Upto 90% Equity	Upto 100% Equity	Index Fund	Mid Cap Fund	Life Cycle Fund	High NAV Fund	Daily NAV Guarantee Fund	
1	Birla Sun Life	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Bajaj Allianz	✓	✓									✓		✓	✓				
3	Max New York Life	✓			✓		✓	✓		✓			✓	✓					
4	Aviva	✓			✓			✓			✓	✓	✓	✓					
5	Kotak	✓	✓	✓		✓					✓	✓	✓	✓					
6	ICICI Prudential	✓	✓							✓	✓		✓						✓
7	HDFC Standard	✓	✓							✓	✓		✓		✓				
8	SBI Life	✓	✓									✓		✓					✓
9	Tata AIG	✓	✓									✓		✓	✓				✓
10	Reliance	✓	✓		✓	✓		✓		✓	✓	✓	✓						
11	ING Vysya	✓	✓							✓		✓	✓	✓					
12	Sahara	✓								✓									
13	Met Life India	✓				✓							✓	✓					
14	Shriram Life	✓								✓			✓	✓					
15	Bharti AXA	✓										✓	✓	✓					
16	IDBI Fortis	✓	✓									✓		✓	✓				

Source: Company Website



Assets under Management

(INR Mn)
140,000



■ Debt
■ Equity

% of Equity
In ULIP



Financial Performance

(INR Mn)

	Q1 FY10	Q1 FY09	Change %
Financials			
New Business Premium	4,411	5,018	-12%
First year premium	4,294	4,910	-13%
Renewal premium	5,269	3,210	64%
Single premium	117	108	8%
Total Premium Income <i>(Net of reinsurance and ST)</i>	9,292	7,964	17%
Total Revenues	30,507	3,199	853%
Net Profit / (loss)	-1,111	-1,468	-24%
Equity Share Capital	20,495	13,745	49%

Investment Performance Against Benchmarks



Fund	12 months as on 30 th Jun	
	BSLI	Benchmark
Individual Life Funds		
Protector	19.09%	10.59%
Builder (10- 20%)	21.40%	11.03%
Enhancer (20 - 35%)	18.96%	9.28%
Creator (30- 50%)	32.02%	11.23%
Maximiser (100%)	21.15%	7.29%
Multiplier(100%)	20.26%	2.97%
Group Funds		
Secure (10 - 20%)	23.33%	11.03%
Stable (20 - 35%)	21.88%	11.34%
Growth (35 - 50%)	29.09%	11.23%
Individual Pension		
Nourish(0-10%)	22.35%	10.59%
Growth (10 - 20%)	29.52%	11.03%
Enrich (20 - 35%)	26.52%	11.34%

- All funds have Outperformed Benchmark for 12 months as on 30th June 09
- BSLIs largest fund Enhancer has beaten the benchmark by 2x times
- As compared to Peers, 100% of BSLIs funds are in top two quartiles as on 30th June 09

We have out-performed benchmarks on all our funds.

Key Competitive Advantages



Product Innovation

- Comprehensive product portfolio to meet all customer segments
- Brought several Innovation to market place

Investment Performance

- Outperformed Peers and benchmarks consistently
- Innovation in new fund launches
- Strong-in house investment team with focus on portfolio quality and risk management

Multi-Distribution Strategy

- Achieved critical scale
- Strong focus on productivity with good results
- Diversified channel mix

Scalable operations

- Robust operating model - Outsourcing and decentralisation
- Leveraging technology to improve service standards
- Focus on HNI, persistency and service assurance

Brand / Customer Centricity

- Strong Parentage and brand
- Customer centricity

People / Best Employer

- Strong leadership team
- "Best employer" tag

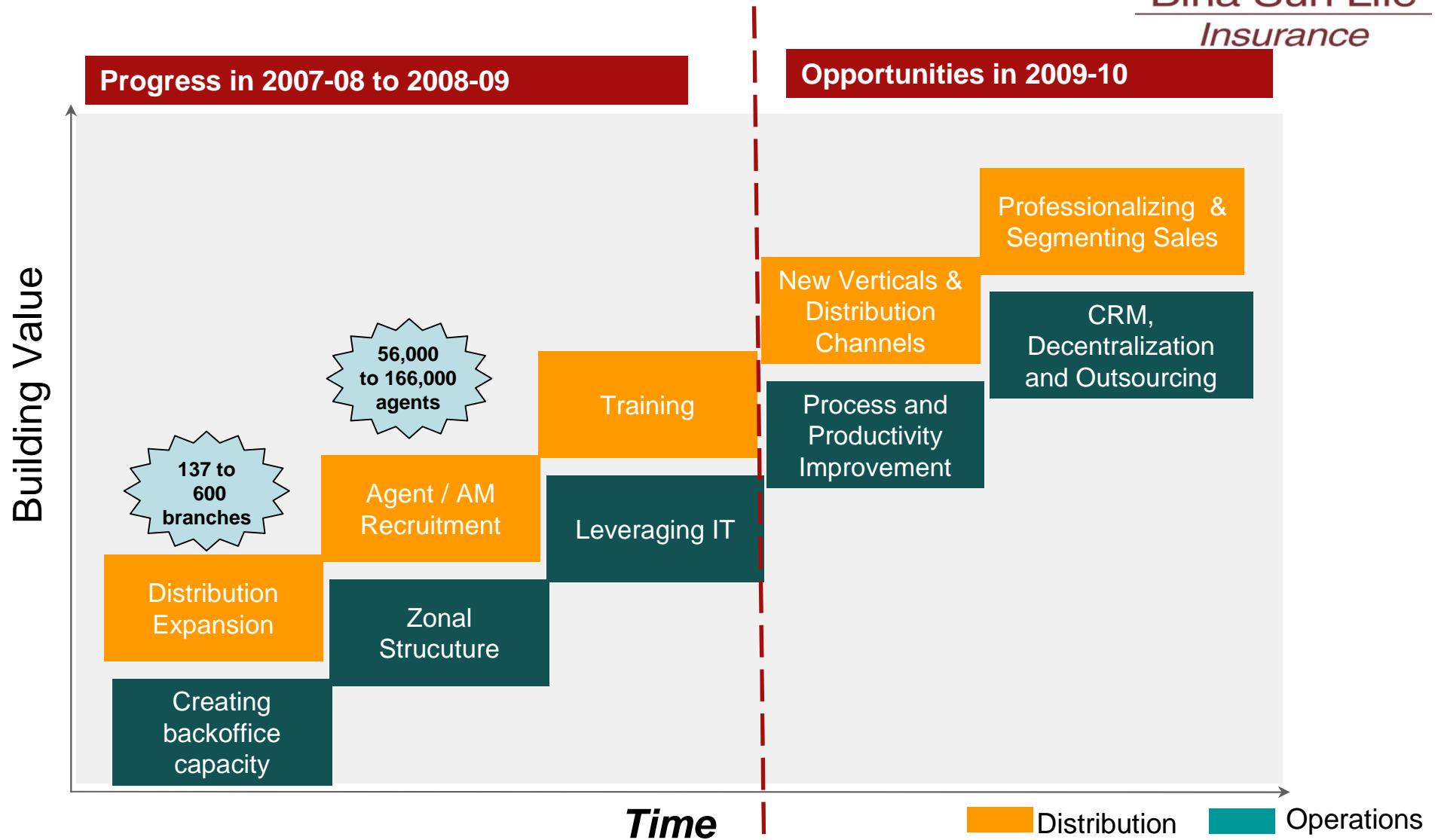


Birla Sun Life
Insurance

The Way Forward



Value Creation in Distribution and Operations



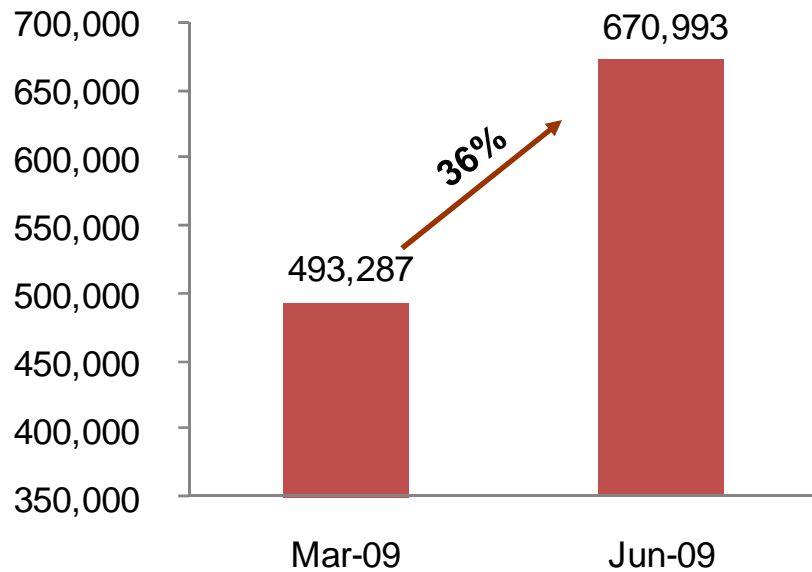
Other financial services businesses

BSLAMC Highlights

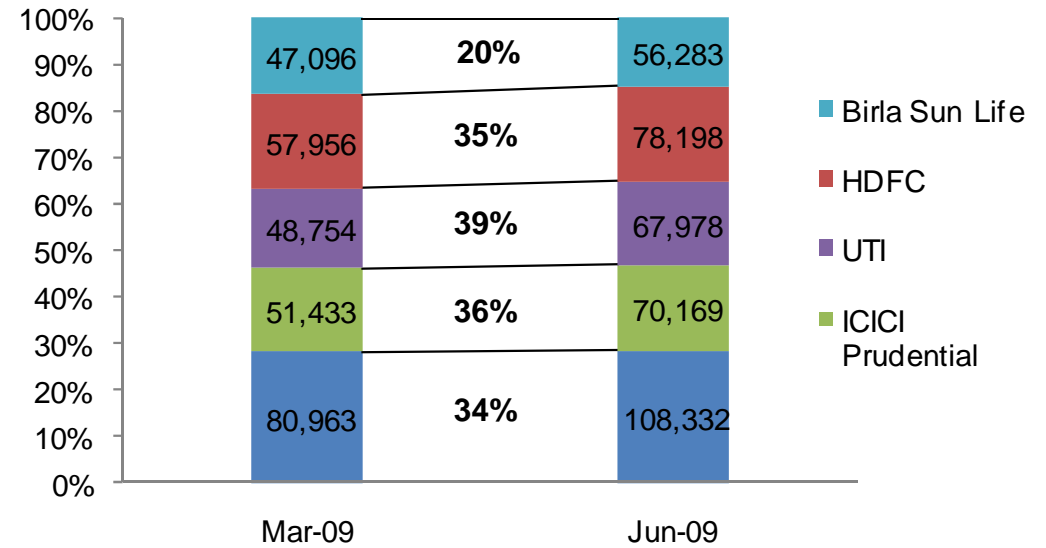
- Delivered outstanding Investment performance and received the most coveted CRISIL CNBC TV 18 'Mutual Fund House of the Year' award for two years in a row
- Bagged the India Onshore Fund House award from Asian Investor.
- Birla Sun Life Equity-Linked FMP has been recognized as "Best Local Currency Structured Product - India" by Hong Kong based magazine "The Asset" as a part of their "Triple A Investment Awards 2009".
- Domestic avg. AUM at the end of Q1 had risen 20% from Rs. 47,096 Cr. in March'09 to Rs. 56,283 Cr, in June'09.
- In keeping with our focus on growing equity, we have achieved higher than industry growth rate in equity assets, recording 2nd highest (among Top 10) growth @70% (in Q1)
- Q1 Revenues better than expectations, PBT better at Rs 8.22 Cr
- Real Estate fund & Offshore office set-ups in progress, so as to grow our higher margin businesses

MF Industry Growth

Industry Avg Aum (Rs. Crs)



Top 5 MFs Avg AUM (Rs. Crs)



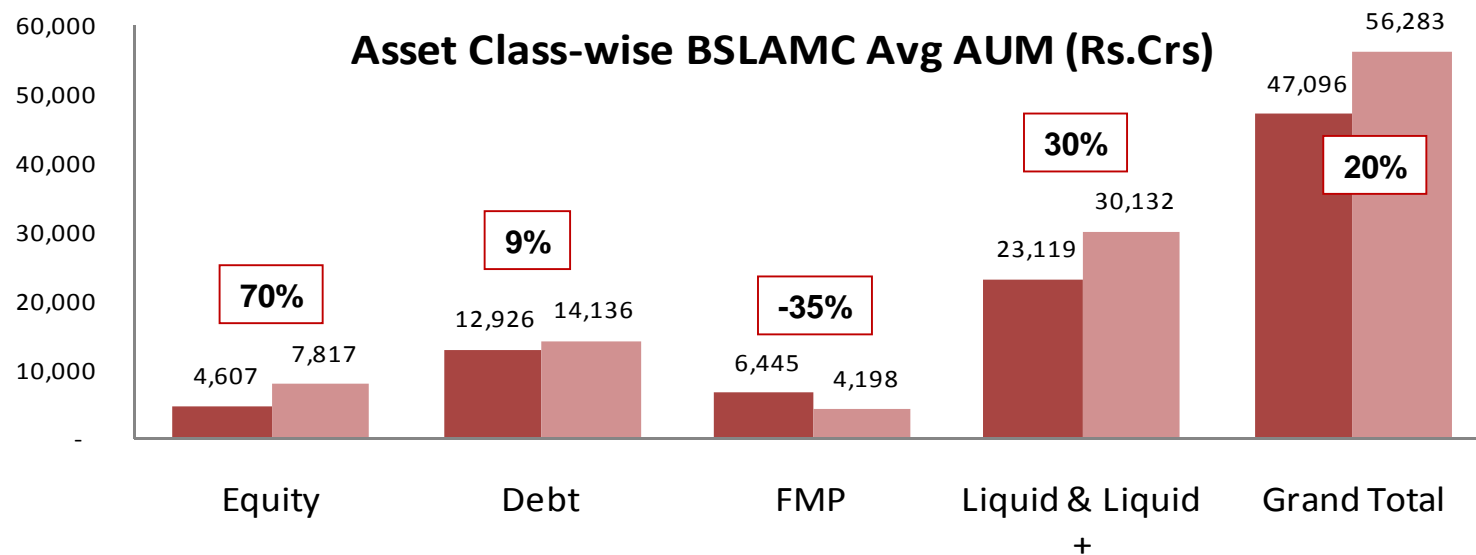
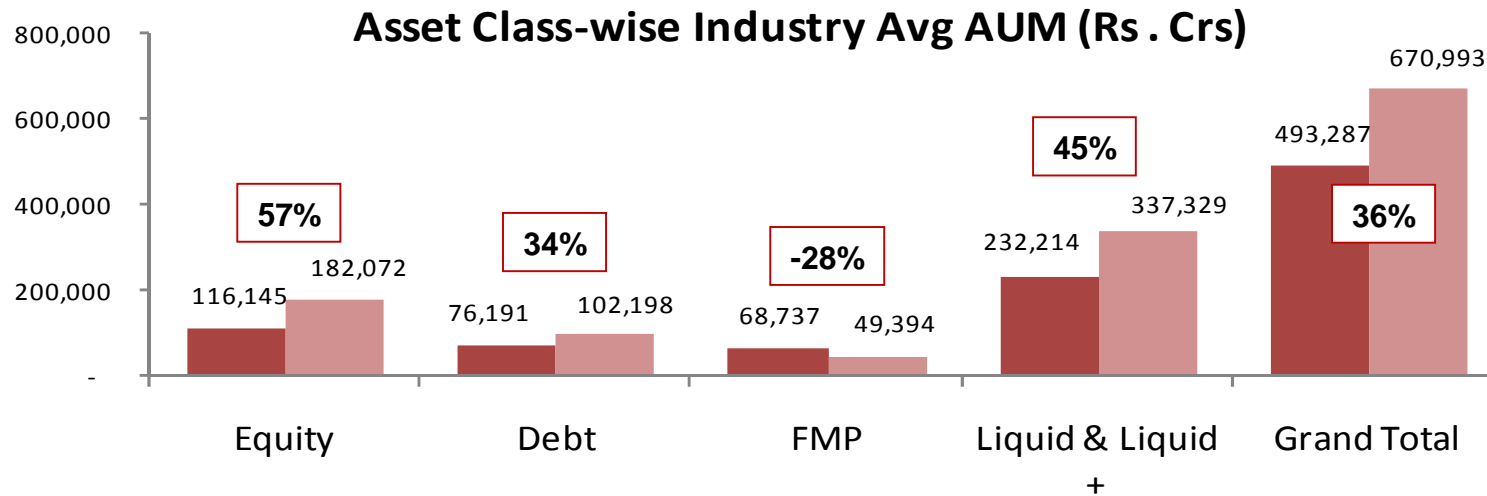
Source: AMFI

BSLAMC League Tables

Jun-09 AUM Rank	Name of Mutual fund	Avg AUM Mar-09	Avg AUM Jun-09	Growth over Mar-09		Mkt Share Mar-09	Mkt Share Jun-09
				Absolute	%		
1	Reliance	80,963	108,332	27,369	33.8%	16.4%	16.1%
2	HDFC	57,956	78,198	20,241	34.9%	11.7%	11.7%
3	ICICI Prudential	51,433	70,169	18,737	36.4%	10.4%	10.5%
4	UTI	48,754	67,978	19,224	39.4%	9.9%	10.1%
5	Birla Sun Life	47,096	56,283	9,187	19.5%	9.5%	8.4%
6	SBI	26,383	34,061	7,678	29.1%	5.3%	5.1%
7	LIC	23,092	32,415	9,323	40.4%	4.7%	4.8%
8	Kotak Mahindra	18,204	30,833	12,629	69.4%	3.7%	4.6%
9	Franklin Templeton	19,205	25,473	6,268	32.6%	3.9%	3.8%
10	IDFC	14,362	21,676	7,314	50.9%	2.9%	3.2%
	Others	105,838	145,574	39,736	37.5%	21.5%	21.7%
	Grand Total	493,287	670,993	177,707	36.0%	100.0%	100.0%

Source: AMFI & Internal Estimates

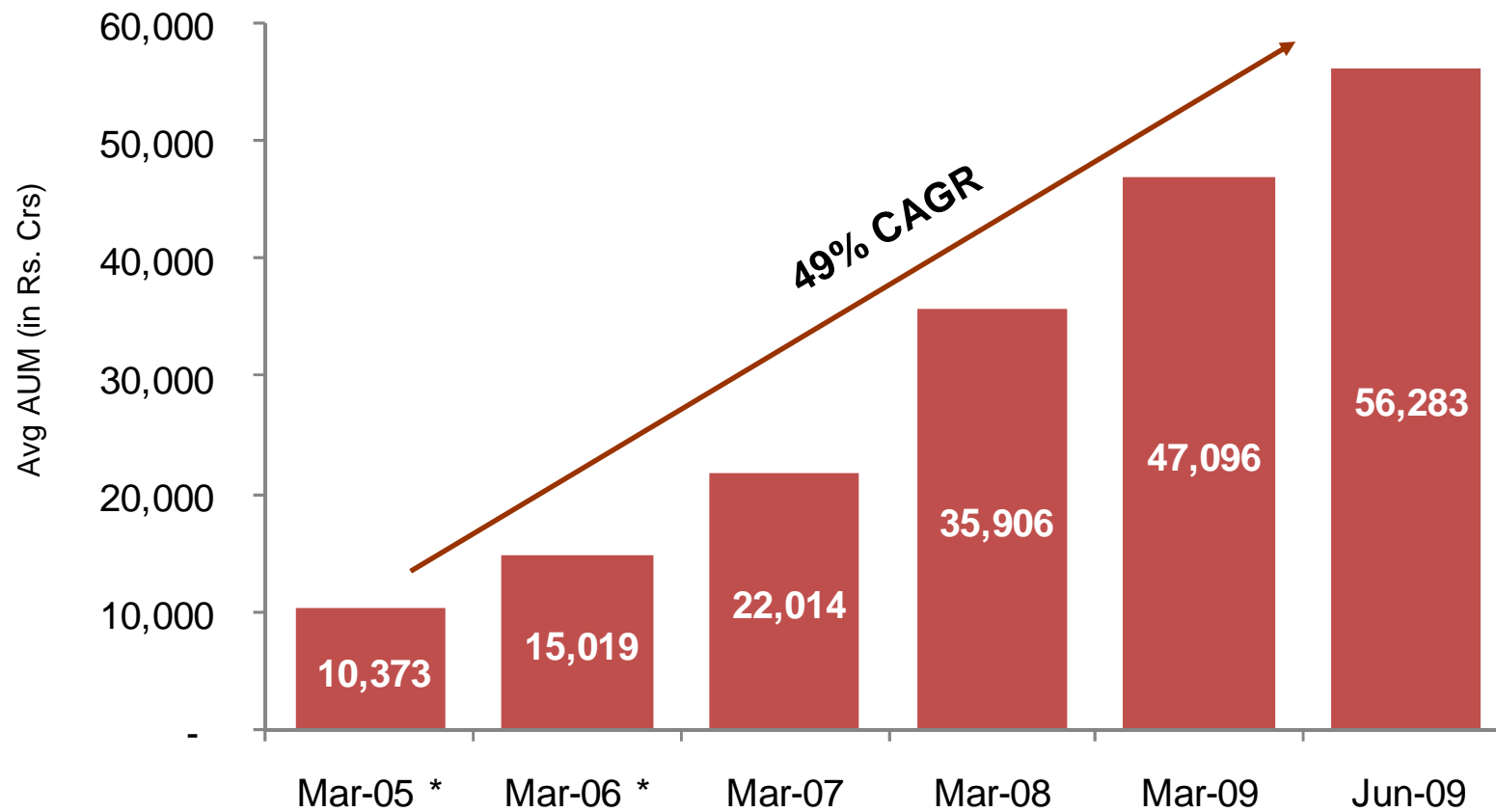
Asset class-wise AUM Movement



Source: AMFI

■ Mar-09 ■ Jun-09

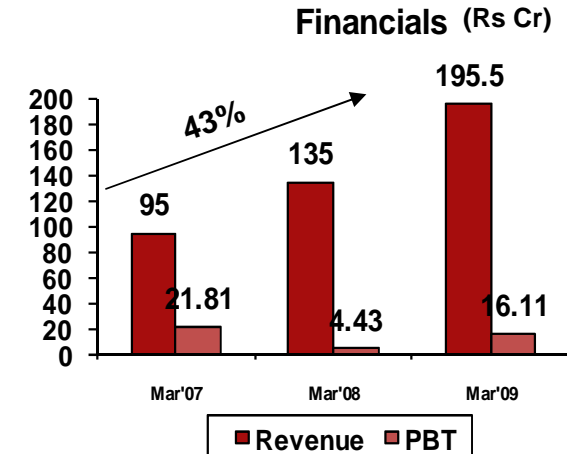
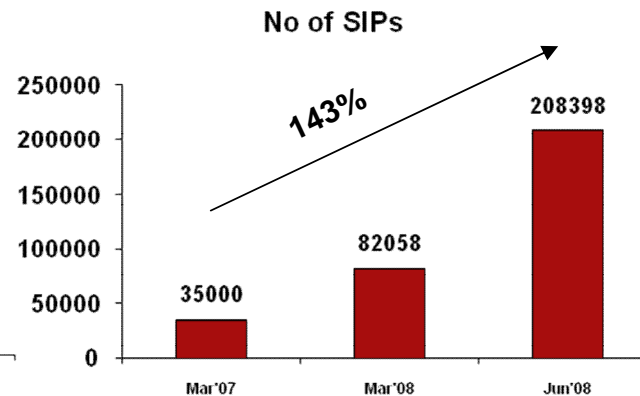
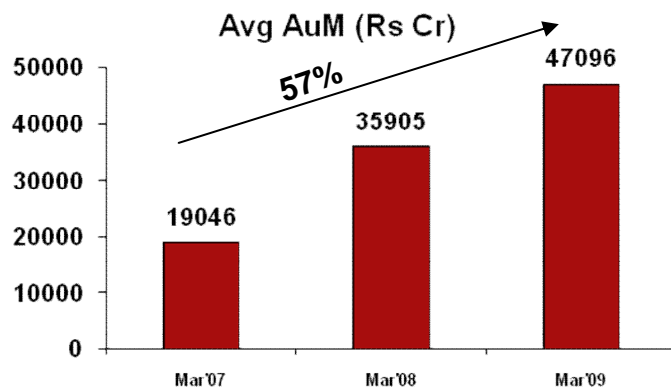
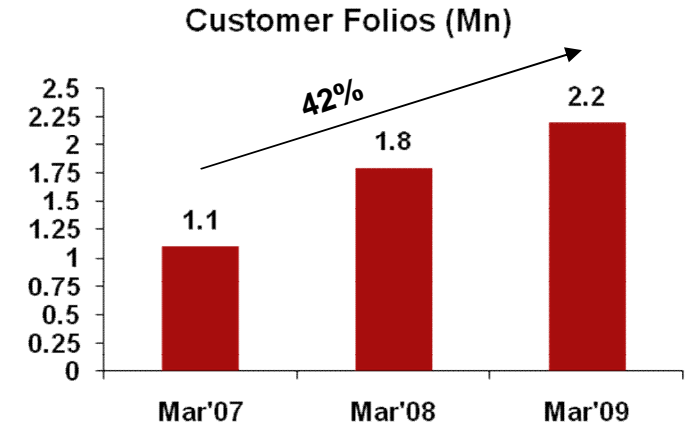
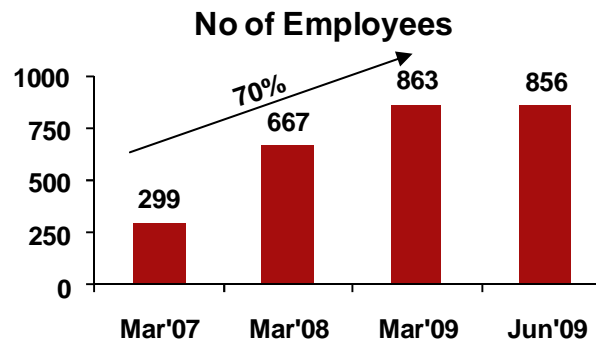
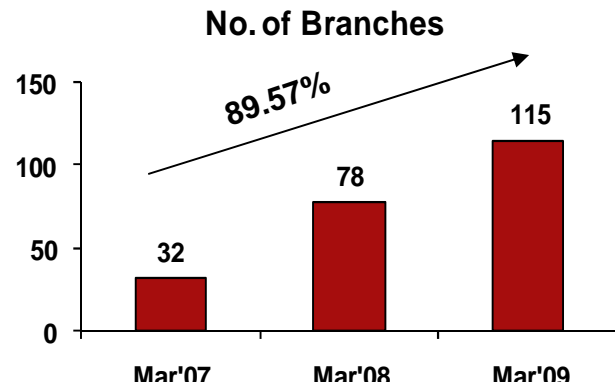
BSLAMC AUM Growth



Growth trajectory continues

Source: AMFI for Market Share
*EOP AUM

Business Scorecard



Growth trajectory maintained, Share in new SIP is consistently rising

Other FS companies achievements

Birla Global Finance Ltd. (NBFC)

- Highest ever PAT of Rs. 296 Mn achieved in FY09 despite slowdown in financial markets
- PAT in Q1'FY10 is at Rs.69 Mn
- Highest rating of A1+ assigned by ICRA for short term debt

BSDL

- Nuvo acquired remaining 50.01% stake in BSDL for Rs. 7.6 Cr. in March 2009
 - BSDL became wholly owned subsidiary of Nuvo w.e.f. 31st March 2009
- Ranks 4th in terms of asset under advice at Rs. 117 billion
- Over 2,50,000 customers country-wide
- Nationwide presence with 41 branches and over 4,500 channel partners

Apollo Sindhoori

- Nuvo acquired 76% stake in Apollo Sindhoori Capital Investments Ltd. (ASCIL), a retail broking company, in Feb-Mar'09 for Rs. 251.6 Cr., ASCIL became subsidiary of Nuvo w.e.f. 6th Mar'09
- Strong distribution network of over 230 own and 550 franchisee branches across over 150 cities
- A large 175,000 customers base

Thank You