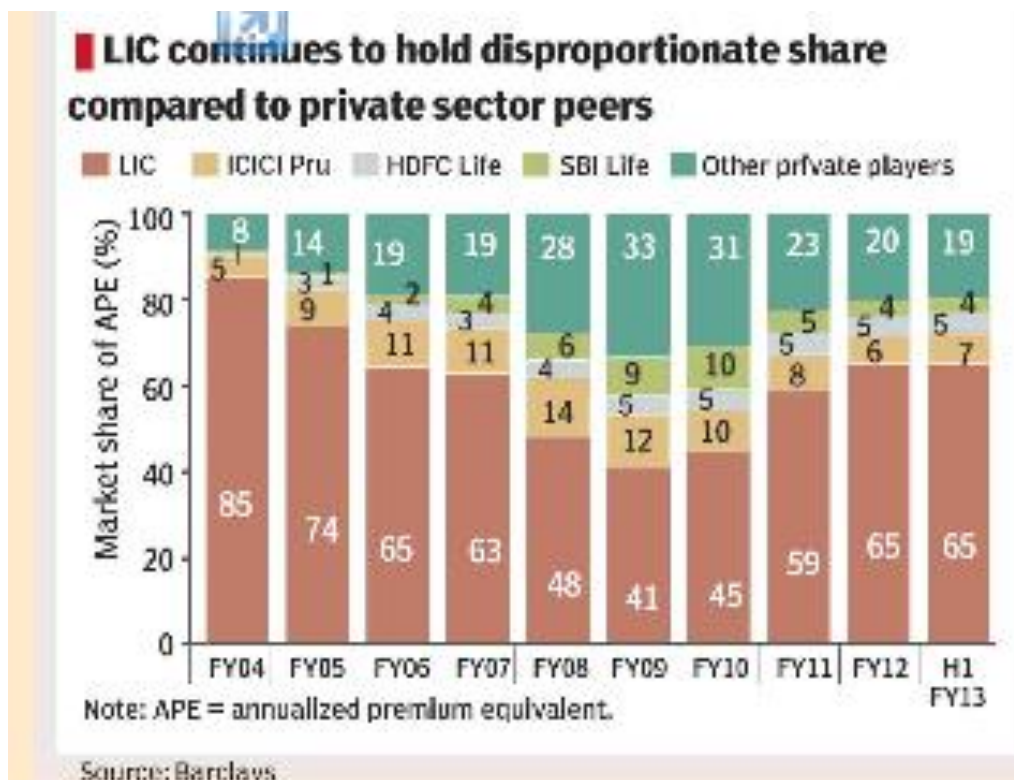


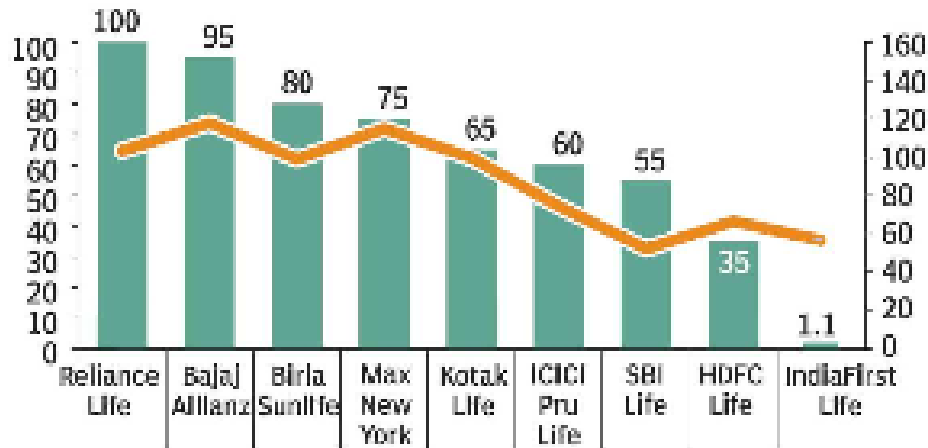
BANK-LED INSURERS HAVE AN EDGE

As high competition, tough regulations and falling household savings have affected the life insurance industry, the banking channel can help drive the industry because of its reach and cost-efficient distribution. So, insurance companies owned by banks, or those who have banassurance tie-ups, are best placed to drive growth compared with the agency channel, which has become unviable for most players.



■ Players with higher share of non-bank channel have significantly lower operating efficiencies

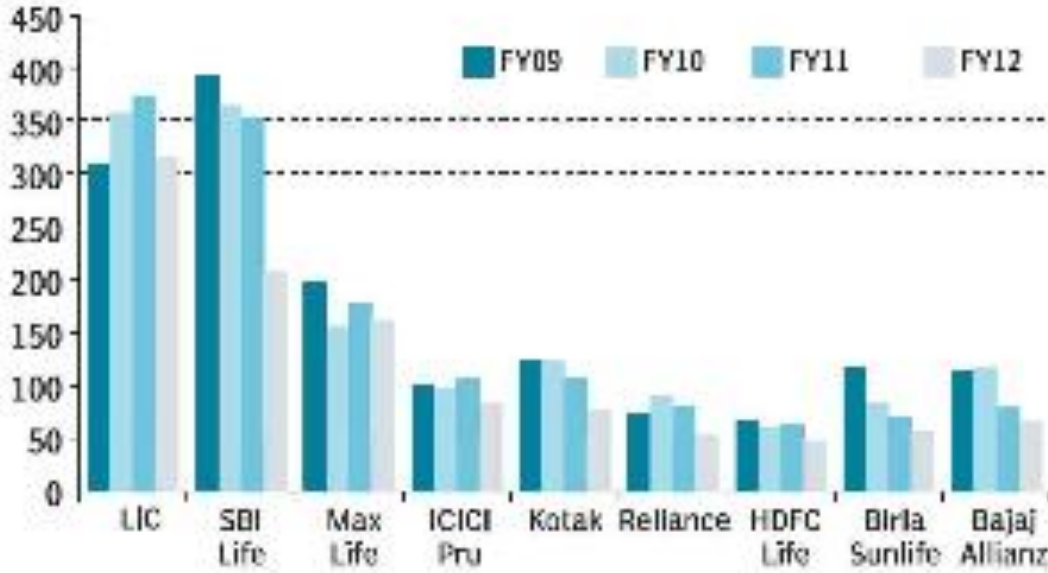
■ Share of non-bank channels in individual new business - FY11 (%)
 — (Opex + commissions)/APE* - FY11 (%) - RHS



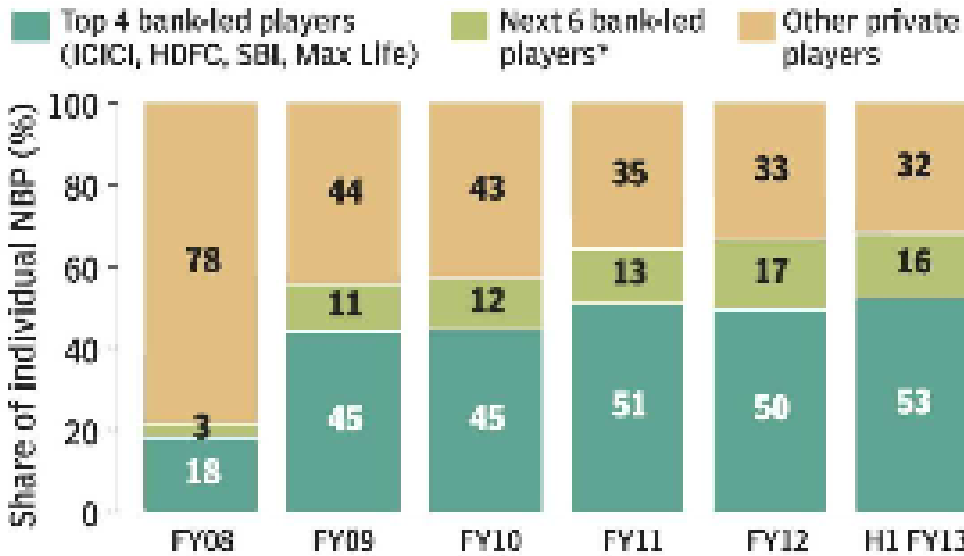
*APE = Annualized premium equivalent (non-single + 10% single premium)

Currently, only LIC and SBI Life agencies meet the productivity cutoff

Annual agent productivity (Ind. NBP/agent) - ₹ '000



■ Players with bank channels have gained significant share since FY08



*Includes the following players: Star Union Dal-ohl., Canara HSBC, PNB MetLife, IndiaFirst, Kotak Life, Aviva