

Press Release

IndiaFirst Life goes rural, ties up with 5 Rural Regional Banks

- Aims to reach out to its rural customers and take the benefit of insurance to masses
- Ties up with 5 RRB's sponsored by Bank of Baroda - to tap 40 districts through 1,000 branches
- Expects approximately Rs. 100 crores from RRB's in the next 2-3 years
- Plans to expand to other nationalized RRBs and corporate banks
- Has already achieved over 14% of its business from the rural sector for FY 2009-10

Mumbai, 21st July, 2011: IndiaFirst Life Insurance, a joint venture between two of India's largest public sector banks - Bank of Baroda and Andhra Bank along with UK's leading risk, wealth and investment company Legal & General, today announced that it has tied up with five Rural Regional Banks (RRBs) to reach out to its customers in the hinterland of the country.

The announcement was made by Dr. P. Nandagopal, Managing Director & CEO, IndiaFirst Life Insurance.

IndiaFirst has tied up with five RRB's sponsored by Bank of Baroda, viz., Baroda Uttar Pradesh Gramin Bank, Baroda Rajasthan Gramin Bank, Baroda Gujarat Gramin Bank, Nainital-Almora Kshetriya Gramin Bank and Jhabua-Dhar Kshetriya Gramin Bank.

Commenting on the occasion, Dr. Nandagopal, "It gives me great pleasure to welcome on board our new partners. RRBs are viewed as the 'small man's bank' but this small man, has a humungous role to play in our business. We strongly believe that insuring the wider populace base that lives in the rural sector of the country in a long term business like ours will be a game changer in an emerging economy."

The company initially plans to tie up with its partner bank RRB's and later expand to other nationalized bank RRBs and cooperative banks, after further fine tuning its product offering and process implementation.

The five RRBs at present have approximately 1,000 branch offices in close to 40 districts, which will increase over time. Some of these RRBs' already have experience of distributing life insurance products, thereby providing a ready platform to IndiaFirst Life for launching and rapidly scaling up operations.

“The critical success factors for us will be achieving maximum synergy from integration, devising the right product mix for the rural customer and providing the right technological and manpower support to the RRBs”, further added Dr. Nandagopal.

IndiaFirst is also accredited with surpassing its rural and social obligations laid down by the insurance regulators - Insurance Regulatory and Development Authority (IRDA). The company has not only acquired 14% of its business from the rural areas but has also covered over 5 lakh lives in the social sector in the first year of its operations – truly taking the benefits of life insurance to the door steps of customers across the country, irrespective of their location.

“This new tie-up will help us serve our customers in rural areas in a better and effective way. While there is a mad rush by all to serve the urban populace, people in the rural areas are still a neglected lot. There is an urgent need in the country to not only taking financial services to the rural populace but also to make them financially literate for true development to take place.”, said Dr. Nandagopal.

IndiaFirst has also tied up with SERP (Society for elimination of Rural poverty), an autonomous society of the Department of Rural Development, Government of Andhra Pradesh to provide cover to all members of Self Help Groups in the state of Andhra Pradesh. The project will cover 1.5 -1.75 crore women who take small loans from the banks. This tie up is a part of its social sector obligation.

About IndiaFirst Life Insurance

Headquartered in Mumbai, IndiaFirst, which is capitalized at Rs. 455 crore, is the country's youngest life insurance company promoted by two of India's largest public sector banks - Bank of Baroda and Andhra Bank along with UK's leading risk, wealth and investment company Legal & General. Bank of Baroda holds a 44 per cent stake in IndiaFirst, while Andhra Bank and Legal & General hold a 30 per cent and 26 per cent stake respectively.

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