

## **The Bank of Rajasthan Ltd. inks pact with Birla Sun Life Insurance for life insurance product distribution.**

The Bank of Rajasthan Ltd., one of the leading private sector banks having a large network of branches in India formally announced its tie-up with Birla Sun Life Insurance, a major player in the life insurance market for distributing its life insurance products.

In this direction, a Memorandum of Understanding was signed on 8<sup>th</sup> October 2002, between Dr. K. M. Bhattacharya, Managing Director, The Bank of Rajasthan Ltd. and Mr. Nani Javeri, CEO, Birla Sun Life Insurance in the presence of Shri. Pravin Kumar Tayal, Chairman, The Bank of Rajasthan Ltd.

The Bank of Rajasthan Ltd. will facilitate distribution of life insurance products of Birla Sun Life Insurance through its strong network of more than 400 offices nationally. It will also be able to leverage the Birla Brand effectively in Rajasthan where its presence is the strongest. Mr. Pravin Tayal, Chairman, The Bank of Rajasthan Ltd. said “We are constantly looking at ways to reinvent and grow in order to maximize benefits for our loyal clientele. Bancassurance is an efficient way for insurance companies to sell insurance products to customers. We are looking to make available a gamut of insurance products to address the credit protection and long term savings needs of our customers.”

The Bank of Rajasthan Ltd. has entered the General Insurance business with a strategic alliance with Bajaj Allianz.

Mr. Nani Javeri CEO Birla Sun Life Insurance said, “Among the life insurance companies, we have played a leading role in creating relationships through the banking channel. To enlarge our reach and services, we are pursuing a Multi Channel Distribution Strategy of which this alliance is a major step. This is in line with the international trend in the marketing of financial services.” He added, “The proportion of life insurance and pensions sold through Bancassurance distribution channel in Europe is currently at a level of 30%. We are sure this strategic tie-up will give us an opportunity to tap the huge customer base that the Bank has in Rajasthan through its 200 branches in the state and key branches across the country. We will provide innovative customized products with efficient service through the banks network, which will prove to be a value addition to the customers. This is a significant tie-up as it will also enable us to penetrate into semi-urban and rural areas of Rajasthan apart from the other parts of the country including urban areas.”

With the opening of the insurance sector, the IRDA has provided guidelines for private insurance companies to distribute products through corporate agents. Subject to IRDA approvals, The Bank of Rajasthan Ltd. will become a corporate agent for Birla Sun Life Insurance.

### **About The Bank of Rajasthan Ltd:**

The Bank of Rajasthan, which was established in 1943, has completed more than 53 years and enjoys a good position among private sector banks and has made its presence felt in a wide spectrum of activities. The bank hopes to expand its present number of 400 branches to 500 in the near future. The bank has already started Anywhere Banking across the country in its top 54 branches and also plans to introduce ATM network/ Credit card/ Debit card very shortly. It has hired top management consultants like KPMG and Price Waterhouse Coopers to chart its progress into the future. With a healthy capital adequacy ratio of 13% and sound financial results of a rise in net profit to Rs. 40.31 crores (FY 2001-02) as compared to Rs. 32.22 crores (FY 2000-01), the Bank has demonstrated a commendable turnaround with a total business of Rs. 7000crores. The Bank has started depository services at 23 centres across the country with direct connectivity and is aggressively concentrating on retail products like housing finance, car loans, consumer loans and retail trade with a motive to provide easy, efficient and streamlined system of financing at cheaper and competitive rates to meet the needs of the broad segments of the society.

### **Birla Sun Life Insurance:**

It is one of the leading private life insurance companies. It has completed a very successful first year of operations. As on 31<sup>st</sup> March 2002, the company was capitalized at a level of Rs. 150 crores.

For the year ending March 31, 2002, the company completed new business with a total sum assured of Rs. 1600 crores, achieving a very high size of average premium per policy of more than Rs. 15000 and an average sum assured of more than Rs. 400,000 per policy which is believed to be the best in the industry. The company achieved a premium income of Rs. 36 crores and sold nearly 20,000 policies covering more than 33000 lives across Individual life and Group life business.

The company has a clear thrust on investment linked insurance products and believes in maximizing investment returns to its policyholders. The focus has been on the top three income segments for its Individual life business and on the top corporates for its Group life business.

### ***For further information***

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