

*Press Release*

**Tata AIG Life's Full Year 2004-2005 Total Premium up by 101 % to Rs 494.6 crores**

Mumbai, April 20, 2005

Tata AIG Life Insurance Company Limited (Tata AIG Life) today announced its preliminary revenue figures for the year ending March 31<sup>st</sup> 2005, which showed total premium income increasing strongly by 101 percent to Rs 494.6 crores from Rs 246.2 crores in the previous year. Tata AIG Life attributed this substantial growth to its innovative product and distribution strategy, focus on prudent financial discipline and commitment to its policyholders.

Between April 1<sup>st</sup> 2004 and March 31<sup>st</sup> 2005, Tata AIG Life attained coverage for over 4,27,000 lives; bringing the total number of lives covered since inception to over 1.2 million, which includes lives covered under individual and group policies. Tata AIG Life offers a range of life insurance products, health products, group life insurance, pensions, and gratuity and superannuation products.

Commenting on the financial results, *Mr. Farrokh K. Kavarana, Chairman*, Tata AIG Life said "We are pleased to announce these superior results, which reflect our customers' trust in the Company and its ability to safeguard their long-term interests. We will continue to strike the right balance between growth and capital utilization in the best interests of our policyholders and all stake holders".

*Mr. Ian J-Watts, Managing Director, Tata AIG Life* said, "Our strong year-on-year growth of 101 percent is very positive and encouraging, and is fully in line with our long-term business plans. This consistent growth rate truly substantiates our strategy of expanding our unique product suite by designing innovative products based on consumer insights and delivering them through a multi-channel distribution network."

"We strive to bring a world-class experience to our customers by emphasizing constant technology upgrades, process enhancements and the training our staff and distribution partners to meet international benchmarks," Mr. Watts added.

While all channels of distribution contributed to this impressive performance, Alternate Channels led the growth by registering an increase of over 240% for the year.

The rural and social initiative of the Company has, in the fiscal 2004-05, issued around 57,000 policies of which around 41,000 were individual insurance policies from the rural sector. In the social sector the Company has covered over 16,000 lives against an obligation to cover 15,000 lives. It is estimated that nearly 85 percent of the micro insurance policy holders have purchased insurance for the first time ever. Through its penetration strategy, the Company has been able to close fiscal 2004-05 with 17.85% policies from rural India as compared to the regulatory mandated 14% in the fourth year of operation.

In the year under review, the Company increased its equity capital base by Rs 90 crores to Rs 321 crores, added 549 employees, over 11,000 financial advisors and 53 external partners, apart from expanding its presence to cover 22 cities with 36 branches.

#### Other highlights of the period:

- **Tata AIG Life's equity capital increased by Rs 90 crores to Rs 321 crores:** Tata AIG Life received additional equity capital of Rs 90 crores from its two promoters, Tata Sons Limited and American International Group, Inc. (AIG). Tata Sons Limited, which holds 74 percent of the equity in Tata AIG Life, contributed Rs 66.6 crores while AIG, with a 26 per cent stake, contributed Rs 23.4 crores. With these contributions, the capitalization of Tata AIG Life increased from Rs 231 crores to Rs 321 crores.
- Successful launch of a brand campaign, which won an AAI (*Advertising Agencies Association of India*) Award.
- Major product launches
  - *'ShubhLife'* - a flexible endowment life insurance policy
  - *'Starkid'* - a juvenile plan with guaranteed returns
- Tata AIG Life's Rural and Social insurance programme is now operational in 12 States where the Company has tied up with leading non-government organizations like the Indian Institute of Rural Development, Jaipur; Development Initiatives, Lucknow; Ichhamati Milk Union, West Bengal and the Young India Project in Andhra Pradesh.

#### About Tata AIG Life Insurance Company Ltd.

Tata AIG Life Insurance Company Limited (Tata AIG Life) is a joint venture company, formed by the Tata Group and American International Group, Inc. (AIG). Tata AIG Life combines the Tata Group's pre-eminent leadership position in India and AIG's global presence as the world's leading international insurance and financial services organization. The Tata Group holds 74 per cent stake in the insurance venture with AIG holding the balance 26 per cent. Tata AIG Life provides insurance solutions to individuals and corporates. Tata AIG Life Insurance Company was licensed to operate in India on February 12, 2001 and started operations on April 1, 2001.

#### The Tata Group

The Tata Group is India's best-known industrial group with an estimated turnover of around US \$ 14. 25 billion (equivalent to 2.6 % of India's GDP), covering 91 major companies with business operations in seven business sectors - Engineering, Materials, Energy, Chemicals, Consumer Products, Services, and Communications and Information Systems. The Tata brand is India's most respected brand across consumer segments with many national and internationally renowned product and service brands: Tata Indica, Tata Indigo, Indigo Marina, Tata Safari, Tata Indicom, Taj Hotels Resorts and Palaces, Tata Consultancy Services, Tata Tea, Tetley, Tata Salt, Titan, Tanishq, Voltas and Westside. By combining ethical values with business acumen, globalization with national interests and, core businesses with emerging ones, the Tata Group aims to be the largest and most respected global brand from India, whilst fulfilling its long-standing commitment to improving the quality of life of its stakeholders.

#### American International Group Inc. (AIG)

American International Group, Inc. (AIG) is the world's leading international insurance and financial services organization, with operations in more than 130 countries and jurisdictions. AIG member companies serve commercial, institutional and individual customers through the most extensive worldwide property-casualty and life insurance networks of any insurer. In the United States, AIG companies are the largest underwriters of commercial and industrial insurance and AIG American General is a top-ranked life insurer. AIG's global businesses also include retirement services, financial services and asset management. AIG's financial services businesses include aircraft leasing, financial products, trading and market making. AIG's growing global

consumer finance business is led in the United States by American General Finance. AIG also has one of the largest U.S. retirement services businesses through AIG SunAmerica and AIG VALIC, and is a leader in asset management for the individual and institutional markets, with specialized investment management capabilities in equities, fixed income, alternative investments and real estate. AIG's common stock is listed in the U.S. on the New York Stock Exchange and ArcaEx, as well as the stock exchanges in London, Paris, Switzerland and Tokyo.

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