



SUNDARAM FINANCE
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Sundaram Finance to Acquire 26% Stake of JV Partner in Royal Sundaram

Chennai 18 Feb 2015: Sundaram Finance Limited (SFL) and RSA Group, UK, (RSA) have reached an agreement whereby RSA has agreed to sell its entire 26% equity stake in Royal Sundaram Alliance Insurance Company Limited (RS), to SFL, for a consideration of Rs. 450 crore, subject to all regulatory approvals. Sundaram Finance currently holds 49.90% in the above company and the said acquisition would increase its holding to 75.90%. After the completion of the transaction, Sundaram Finance and its associates would hold 100% of the shareholding of RS.

RS, the first private sector non-life insurance company to be granted a licence, in the year 2000, is a joint venture between SFL and RSA, with SFL and its associates holding 74% equity stake, and RSA holding the balance 26%.

RS is a leading player in the general insurance sector in India. The company reported GWP of Rs. 1437 crore in FY 2014.

Commenting on the proposed transaction, TT Srinivasaraghavan, Managing Director, Sundaram Finance Ltd. said, "Sundaram Finance and RSA have enjoyed an excellent relationship over the past 15 years and built up a successful and respected brand in the insurance industry in India. RSA has added a lot of value on the technical aspects of the business and been a valued business partner. RSA Group had recently undertaken a review of their businesses globally and decided to exit non-core markets, of which India is one. While we are sorry to part company with them, we recognise that this is part of their larger global portfolio strategy."

Srinivasaraghavan added, "India is entering an exciting phase in its economic journey and the financial services sector, specifically the insurance sector, is poised for significant growth. Given the strong synergy with the parent's auto lending and housing finance businesses, this will further strengthen our presence in the retail financial services space."

About Sundaram Finance

Set up in 1954, the Sundaram Finance Group's services include financing for the entire range of commercial vehicles, passenger cars and construction equipment, as well as specially designed working capital products such as fuel finance and tyre finance. The company is also into home loans, mutual funds, non-life insurance, IT, BPO and distribution of a wide range of financial products and services. For more information please visit www.sundaramfinance.in

About RSA Group, UK

With a 300 year heritage, RSA is one of the world's leading multinational quoted insurance groups. RSA has core operations in the UK, Scandinavia, Canada, Ireland and Latin America. Focusing on general insurance, RSA has around 21,000 employees and, in 2013, its net written premiums were £8.7 billion.

About Royal Sundaram

Royal Sundaram is the first private non-life insurance company licensed to operate in India. Royal Sundaram offers a range of innovative general Insurance products, which includes Motor, Health, Personal Accident, Home and Travel Insurance for individual customers. For Commercial clients, Royal Sundaram offers a wide range of specialised insurance covers in Fire, Marine, Engineering, Liability and Business Interruption risks. Royal Sundaram also offers specially designed products to the Small and Medium enterprises and rural customers. Royal Sundaram currently has over 6.7



million customers, 1,700 employees and its products are distributed in over 180 cities across India, through Agents, Distribution Partners, Affinity Partners and Brokers. For more information, visit: www.royalsundaram.in

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