



SUNDARAM FINANCE

Enduring values. New age thinking.

SEC:0211:18-19/PNS

November 14, 2018

The Manager - Listing
National Stock Exchange of India Limited
Capital Market – Listing
Exchange Plaza, 5th Floor
Plot No. C/1, G Block
Bandra-Kurla Complex
Bandra (E), Mumbai 400 051

Sub: Disclosure under Reg. 30 read with Sch. III. Part A. Para A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Re: Sale of Shares held in Royal Sundaram General Insurance Co. Limited to Ageas Insurance International N.V.

We wish to inform you that the Board of Directors of Sundaram Finance Limited (SFL), at the meeting held today, approved the sale of 11,62,91,000 equity shares of ₹10/- each, representing 25.90% in its subsidiary company, Royal Sundaram General Insurance Co. Limited (RSGI), to Ageas Insurance International N.V., The Netherlands, for a total consideration of ₹984,17,07,330/-, subject to necessary regulatory approvals. After this sale, SFL will continue to hold 50% stake in the paid-up capital of RSGI.

Accordingly, SFL has executed a Share Purchase Agreement and Shareholders Agreement with Ageas Insurance International N.V. today, for the purpose of effecting the transfer of shares, subject to necessary regulatory approvals.

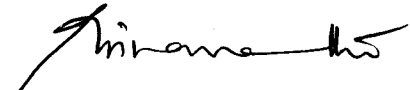
Ageas Insurance International N.V. is a subsidiary of Ageas, a listed international insurance group with a heritage spanning more than 190 years. It offers Retail and Business customers Life and Non-Life insurance products designed to suit their specific needs. Ageas is headquartered in Brussels and is listed on the NYSE Euronext Brussels with a market capitalization of EUR 9.29bn (USD 10.86bn) as at 25th July 2018.

We hereby confirm that Ageas Insurance International N.V. and/or any other entity forming part of the Ageas Group do not belong to the promoter/promoter group/group companies of SFL. Further, we hereby confirm that the said transaction is not a related party transaction.

We also enclose herewith a copy of the Press Release issued in this regard.

Thanking you,

Yours truly,
For Sundaram Finance Limited


P. Viswanathan
Secretary & Compliance Officer



Sundaram Finance Limited



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Sundaram Finance and Ageas Insurance announce Non-Life Insurance JV SFL and associates to divest 40 % in Royal Sundaram

Chennai November 14, 2018: Ageas Insurance International N.V. (Ageas) and Sundaram Finance Ltd (SFL) along with other Indian Shareholders announced today that they have signed an agreement whereby Ageas will acquire 40% of the share capital of Royal Sundaram General Insurance Co. Limited (Royal Sundaram) for a total consideration of Rs.1520 cr.

Currently Sundaram Finance Ltd holds 75.90% in Royal Sundaram and proposes to divest 25.90%, thereby retaining 50% of its holding, post the divestment. Some of the existing Indian shareholders will hold the balance 10% in Royal Sundaram.

Royal Sundaram is a top 10 player in the privately owned Indian general insurance market with strong positions in Motor and Health insurance. The company benefits from extended distribution capabilities with a nationwide network of more than 5,600 agents and 700 branches (consisting of its own branches and that of SFL) and well-established relationships with banks and other distribution partners, off and online. For the year ended 31st March 2018, Royal Sundaram generated Gross Written Premium of Rs. 2643 cr. and achieved a Profit after Tax of Rs. 83 Cr. while registering an average annual growth rate of 19% and 56% in GWP and Profit respectively, between 2015 and 2018.

The transaction is subject to certain conditions to close including the approval of the Insurance Regulatory and Development Authority of India (IRDAI) and other Regulators. The transaction is expected to close in the first quarter of 2019.

Commenting on the agreement, T.T Srinivasaraghavan, Managing Director, Sundaram Finance Ltd., said “Over the past 18 years, Royal Sundaram has built a sterling reputation in the market for its customer service excellence, notably in claims management. The Company has demonstrated strong growth in its chosen segments and is witnessing a rapid growth in its profitability. For the next phase of growth, we are delighted to be partnering with Ageas, whose global experience, including in several Asian countries, will be an asset. Ageas is unique in its approach of working through local partnerships and joint ventures across Asia and we believe this can create significant value for Royal Sundaram.”

Commenting on the agreement, Bart De Smet, CEO, Ageas, said “Partnering with Sundaram Finance, a well-established company with a vast knowledge of the Indian insurance market offers us a great opportunity to benefit from the potential of what is one of the world’s largest economies with an insurance industry that is expected to grow significantly in the coming years. Being already present in the Indian Life Insurance Market, we now will be able to also fully grasp opportunities in the Non-Life market. We are confident that Ageas’s insurance expertise combined with Sundaram Finance’s market knowledge and position will take Royal Sundaram to a next level in terms of size and profitability.”



Sundaram Finance Ltd (www.sundaramfinance.in) is one of the most respected financial services players in India with assets under management exceeding Rs 27000 Cr. Incorporated in 1954, Sundaram Finance has an all India presence with 652 branches. The fixed deposits and long term borrowings of SFL are rated AAA by CRISIL and ICRA. In addition to financing of Commercial vehicles, Cars, Construction Equipment and Tractors, it offers innovative solutions to its customers including Diesel Finance, other working capital finance for commercial vehicle operators and operating leases to corporates. Sundaram Direct, its distribution brand offers a suite of financial products from its various partners including loans, savings and insurance (both non-life and Life) products to its customers and has an over 2000 strong sales force. SFL thru Sundaram Mutual Fund (www.sundarammutual.com) offers various mutual funds, through Sundaram BNP Paribas Home Finance (www.sundarambnpphome.in) home loans and through Royal Sundaram (www.royalsundaram.in) various non-life insurance products. SFL also has a presence in the BPO business through Sundaram Business Services.

Royal Sundaram General Insurance Co. Ltd. is a subsidiary of Sundaram Finance, a leading financial services provider based in Chennai, India. Royal Sundaram General Insurance Co Ltd. is India's 1st privately owned general insurance company (licensed in 2000) and offers innovative general insurance solutions to individuals, families and businesses directly as well as through its intermediaries and affinity partners. The company offers Motor, Health, Personal Accident, Home & Travel Insurance to individual customers and offers specialised insurance products in Fire, Marine, Engineering, Liability & Business Interruption risks to commercial customers. Royal Sundaram also offers specially designed products to the small & medium enterprises and rural customers as well.

Ageas is a listed international insurance Group with a heritage spanning 190 years. It offers Retail and Business customers Life and Non-Life insurance products designed to suit their specific needs, today and tomorrow. As one of Europe's larger insurance companies, Ageas concentrates its activities in Europe and Asia, which together make up the major part of the global insurance market. It operates successful insurance businesses in Belgium, the UK, Luxembourg, France, Portugal, Turkey, China, Malaysia, India, Thailand, Vietnam, Laos, Cambodia, Singapore, and the Philippines through a combination of wholly owned subsidiaries and long-term partnerships with strong financial institutions and key distributors. Ageas ranks among the market leaders in the countries in which it operates. It represents a staff force of over 50,000 people and reported annual inflows close to EUR 34 billion in 2017 (all figures at 100%).

Ageas is already present in India in the Life Insurance space through IDBI Federal Insurance Co Ltd.

Media Contact: S. Prabhu @ 94440 40748 or sprabhu@proPR.in

Advisors to the Transaction

JM Financial Limited acted as the exclusive financial advisor and J. Sagar & Associates acted as the legal advisor to Sundaram Finance & Royal Sundaram General Insurance.

Certain statements in this release concerning our future prospects are forward-looking statements. Forward-looking statements by their nature involve a number of risks and uncertainties that could cause actual results to differ materially from market expectations. These forward-looking statements represent only the Company's current intentions, beliefs or expectations, and any forward-looking statement speaks only as of the date on which it was made.

