

## **IDFC Ltd. to host a conference call on Monday, July 10, 2017 at 8:00 am IST**

### **Shriram Group and IDFC Group Announce Entering into Confidentiality, Exclusivity and Standstill Agreement to Evaluate a Strategic Combination**

Mumbai, July 8, 2017:

IDFC will organize a conference call for investors on Monday, July 10, 2017 on the above mentioned subject. Sunil Kakar will host the call. Necessary documents related to the subject are being shared along with this invite.

In order to avoid delays at the time of logging in to the call, Investors are advised to pre-register for the call via: <http://services.choruscall.in/diamondpass/registration/forwardindex.jsp;jsessionid=1D79EE4373BBD019C2C484723782F3EC> (Please copy - paste into your browser)

Details of the conference call are as follows:

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|-------------------------------|--|
| Timing                        | • 8:00 am IST on Monday, July 10, 2017     |
| Conference dial-in            | • +91 22 3938 1071                         |
| India Local access Number     | • 3940 3977 (Accessible from all carriers) |
| Hong Kong Local Access Number | • 800 964 448                              |
| Singapore Local Access Number | • 800 101 2045                             |
| UK Local Access Number        | • 0 808 101 1573                           |
| USA Local Access Number       | • 1 866 746 2133                           |

Available until July 17, 2017 on + 91 22 3065 2322

Play Back ID – 41627

Replay Facility

*Replay will be available 2 hours after the call ends*

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## About IDFC

IDFC was established in 1997 with a mandate to create enduring value through infrastructure and nation building. It was incorporated as a private sector enterprise by a consortium of public and private investors to lead private capital via infrastructure projects in India.

Over the past 17 years IDFC has played an integral part in India's infrastructure development. Whether it was financial intermediation for infrastructure projects and services, adding value through innovative products to the infrastructure value chain or asset maintenance of existing infrastructure projects, our focus was always to support companies in enhancing their value. This approach has enabled IDFC to become India's leading integrated infrastructure finance player, providing end to end infrastructure financing and project implementation services.

Today, IDFC is recognised as one of India's premier financial conglomerates.

For more information log on to [www.idfc.com](http://www.idfc.com)

### For further information please contact:

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**Bimal Giri**

**IDFC Ltd.**

**Tel: +91 22 4222 2071**

**Email: [bimal.giri@idfcbank.com](mailto:bimal.giri@idfcbank.com)**

**Mayank Vaswani**

**CDR, India**

**Tel: +91 22 6645 1230**

**Email: [mayank@cdr-india.com](mailto:mayank@cdr-india.com)**

**Note:** *This invite is intended solely for the use of the named addressee(s). Any distribution of this invite is strictly prohibited by the sender. If you are not the intended recipient, we request you to notify the sender immediately and delete this document.*



IDFC LIMITED

## PRESS RELEASE

### **Shriram Group and IDFC Group Announce Entering into Confidentiality, Exclusivity and Standstill Agreement to Evaluate a Strategic Combination**

**Mumbai, July 08, 2017:** The Board of Directors of the relevant companies of the IDFC Group and Shriram Group at their respective board meetings held today, approved entering into a confidentiality, exclusivity and standstill agreement to evaluate a potential strategic combination of certain businesses and subsidiaries/affiliates/associate companies of the Shriram Group engaged in the credit and non-credit financial services sector with the IDFC Group. The agreement primarily provides for a mutually agreed exclusivity period for due diligence and discussions between the relevant parties in relation to the potential combination.

The proposed potential combination would be subject to due diligence, definitive documentation and applicable board, shareholder, statutory/ regulatory and other third party approvals, as may be applicable.

Follow up announcements shall be made as necessary.

#### **About IDFC Group**

The IDFC Group is a conglomerate engaged in the banking and infrastructure financial sector - financing infrastructure projects in sectors like energy, telecommunication, transportation, commercial and industrial projects. The group's holding company – IDFC Limited received an in-principle approval from the RBI to set up a new private sector bank (IDFC Bank Limited) on April 9, 2014, which commenced operations from October 1, 2015. Since then, IDFC Limited is operating as an NBFC - Investment Company.

#### **About Shriram Group**

The Shriram Group includes, Shriram Capital Limited, a Core Investment Company registered with the RBI and promoter of all financial services businesses (including insurance-life & non-life) of the Shriram Group. The operating companies are mainly Shriram Transport Finance Company Limited, Shriram City Union Finance Limited, Shriram Life Insurance Company Limited, Shriram General Insurance Company Limited and Shriram Credit Company Limited, apart from certain other companies. Through the above subsidiaries, affiliates and associates, the Shriram Group provides commercial vehicle financing, retail / consumer and enterprise financing, life insurance and general insurance products and other financial services.

**Date:** July 08, 2017

# Merger of IDFC Group and Shriram Group

July 2017





# Intent & Vision

# Merger envisions creation of India's Largest **'Mass Retail Bank'**

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**It is our belief that together we can create a financial conglomerate with a "Mass retail" Universal bank at its core with the focus and ability to provide the full range of financial products from savings and credit to wealth management and protection to millions in particular to the millions of small customer sand entrepreneurs that are the backbone of our country and are today underserved.**

# The Underpinnings of the proposed Merger

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- Alignment of purpose
- Complementarity of businesses



# Snapshot of Respective Businesses



# Shriram Capital Limited

## *Diversified Retail Financial Services Business Group*

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### **Shriram Capital investee Companies:**

- **Shriram Transport Finance Company:** Market leader in pre-owned commercial vehicles financing with AUMs of ~INR 800 Bn, market capitalization ~INR 250 Bn, market share of about 80% and 1.4 million customers.
- **Shriram City Union Finance Company:** Financier of small businesses and 2-wheel vehicles. AUMs of ~INR 230 Bn, market capitalization of INR ~165 Bn and 3.6 million customers..
- **Shriram Life Insurance Company:** Life insurance JV with Sanlam of RSA. ~1.4% market share among private life insurers with new business premium of INR ~7.4 Bn and Embedded Value (estimate) of INR ~8.7 Bn as of Mar-17.
- **Shriram General Insurance Company:** P&C insurance JV with Sanlam of RSA. ~3.4% market share among private insurers with gross premium of INR ~22 Bn and Net Profit of INR ~2.2 Bn.
- **Shriram Credit Company:** Smaller business across financial products distribution, retail equities, wealth management and Asset Management.

# IDFC Limited

## *Diversified Financial Services Business Group*

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- **IDFC Bank** - Universal Bank with AUMs of ~66,500crs as on Mar-17, with PAT of 1,020 crs for FY17 and a healthy capital adequacy of 18.9%.
- **IDFC AMC** - Mutual Fund and Investment Advisory business with AAUMs of 59,585crs and 768crs respectively for Mar-17. ranked 10<sup>th</sup> in the industry as per total AUMs. It offers bouquet of Equity oriented, Debt oriented and Hybrid schemes. AMC delivered 19 crs PAT in FY17.
- **IDFC AIF** - Manages 9 funds with total AUMs of 17,716crs across Infrastructure Equity, Private Equity and Real Estate Fund. Fund has till now made around 81 investments.
- **IDFC IDF** - It is a NBFC-IDF (Infra Debt Fund) that finances infra projects which have being in operation for at least a year. AUMs of 2,683crs, Tier-1 CAR of ~28.9% and carries a AAA rating by CARE and ICRA. IDFC Ltd. owns ~81% of the fund.
- **IDFC Securities** - Provides Equity Research and Institution Broking services to its clients.

# Contours of the proposed merger

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- All the operating businesses of the respective groups will come together under the flag ship group “IDFC Limited”
- The retail consumer centric business of Shriram capital namely SCUF will absorbed into the bank
- The transport finance business of Shriram Capital namely STFC will remain a standalone NBFC that would become a subsidiary of IDFC Limited
- The life and general insurance businesses will also become subsidiaries of IDFC Limited



**Thank You**