

PRESS RELEASE

State Bank of India (SBI) approves sale of 4% stake in SBI General Insurance to Axis New Opportunities AIF – I and PI Opportunities Fund – I, valuing SBI General Insurance at over 12,000 crores

Mumbai – 26th September, 2018

State Bank of India (SBI) at its Executive Committee meeting of the Board held today approved the sale of 86.2 lac shares of INR 10 each, equaling to 4% stake in its subsidiary SBI General Insurance Company Limited (SBI GI) for INR 482 crores (~US\$ 66 mn). Axis New Opportunities AIF – I represented through its investment manager Axis AMC Ltd. and PI Opportunities Fund – I, an AIF of Premji Invest, will purchase 1.65% and 2.35% stake respectively from SBI. The proposed transaction values SBI GI at over INR 12,000 crores. The transaction completion is subject to regulatory approvals.

Upon completion of the transaction, SBI will hold 70% stake in SBI GI while its joint venture partner, IAG International Pty Ltd., will continue to hold 26%.

Kotak Mahindra Capital Company Limited acted as the financial advisor for the transaction.

Quote from SBI: Mr. Rajnish Kumar, Chairman

“State Bank of India happily welcomes Axis New Opportunities AIF and Premji Invest as our incoming partners in SBI GI. Insurance segment is still young and nascent in India, it is a highly under penetrated market, we foresee a significant scope of growth for SBI GI to achieve size, scale and profitability. We shall continue to extend our support and are excited about SBI GI’s bright journey ahead”

Quote from SBI, A&S Department: Mr. Dinesh Khara, MD, Global Banking and Subsidiaries

“We are delighted to welcome Axis New Opportunities AIF and Premji Invest as incoming investors of SBI GI. SBI GI has a high quality management team having an institutional framework with systems and processes in place. This is demonstrated through consistent high growth and positive underwriting results. This transaction values SBI GI at around INR 12,000 crores reflecting significant value creation within 7 years of business operations.”

Quote from SBI GI: Mr. Pushan Mahapatra, MD & CEO

“SBI GI is the fastest growing general insurance company in the private sector. Company is just 7 years into operations and has already achieved sizeable scale, making it the 7th largest private general insurance player as at end of June 2018. Company follows a robust multi-channel distribution model encompassing Auto manufacturers, Brokers, Agency, Direct and has been the top bancassurance non-life insurers in the country. Company is present in every district of the country through its own branches, branches of SBI and RRBs with access to 29,500+ branches. Company has wide and comprehensive product bouquet meeting needs of customers in every segment. SBI GI has a very balanced product mix with robust and unique risk based pricing and risk management framework

We are glad to partner with Axis New Opportunities AIF and Premji Invest and look forward to an enriching association to support SBI GI's continued growth and sustainable profitability”

Quote from Kotak Mahindra Capital Company Limited: Kaushal Shah, Executive Director

“The transaction showcases the strength of the SBI franchise and their ability to create market leading businesses. SBI GI, due to its superior performance and robust standing, attracted immense interest from marquee investors and is evident from the record timeline within which the deal got consummated. It also highlights that investors are keen to participate in differentiated stories overlooking market volatility and valuing the fundamental strength and long term potential of the companies. .”

About State Bank of India

State Bank of India (SBI) is a systemically important bank with its headquarters in Mumbai, Maharashtra. SBI has total advances & deposits of approximately INR 20 Tn & INR 27 Tn respectively as on 30th June, 2018 with 22,428 branches, including 210 foreign offices spread across 35 countries, making it the largest banking and financial services company in India. SBI is ranked 53rd largest bank among the top banks globally in terms of assets, commercial entity with highest operating profit (in FY18) in India. SBI has got a leadership position in the Indian Banking system serving ~425 mn+ customers having second largest footprint globally with ~1.40 lakh touch points.

About SBI General Insurance Company Limited

SBI GI is a joint venture between State Bank of India and IAG International Pty Ltd (IAG). IAG has 160 years of Insurance experience with presence in Australia, New Zealand and Asia with a Market Cap of ~USD 13 Bn. IAG businesses underwrite over AUD 11 bn (INR 55,000 crores) of premium per annum and employ over 15,000 people.

SBI GI is the fastest growing large private general insurer with a Gross Direct Written Premium (GDWP) of INR 35 bn, CAGR of 36% (between FY13 and FY18). It is the 7th largest private general insurance company as on June, 2018. SBI GI is the only general insurance set up in the post de-tariff era to be ranked in top 10 in terms of GDWP.

SBI GI has wide and comprehensive product offerings with balanced product mix and multi-channel distribution encompassing bancassurance, direct, brokerage and agency.

Company achieved overall breakeven in FY17, within 6 years of operations and achieved underwriting breakeven in FY18 with a combined ratio of ~98%. Comfortable solvency position, of 2.5x v/s. IRDA requirement of 1.5x, providing high potential for growth.

Company has the highest rating of iAAA from ICRA for claims paying ability.

About Axis New Opportunities AIF – Series I

Axis New Opportunities AIF – Series I is a CAT II AIF that invests predominantly in unlisted companies and companies that are in the process of filing for a public listing on capital markets. The fund also has a

mandate to invest in IPO's and special situations like QIP's & FPOs. The fund is managed by Trideep Bhattacharya, CFA, – a market veteran with over 20 years' experience in capital markets. The fund currently has a capital commitment of over INR 1,000 Cr from a diverse range of High Net worth and institutional clients.

About Premji Invest

Premji-Invest is an investment office sponsored by Mr Azim Premji, Chairman of Wipro Ltd and manages over USD 4 billion of committed capital. Besides building Wipro into one of the leading global multinationals, Mr. Premji is actively engaged in philanthropic activities with a focus on education to create an equitable India through his Foundation and Premji Invest supports his and the Foundation's initiatives as their investment office.

With offices in India and United States, Premji Invest is focused on both private equity and public equity investments and seeks to partner with companies and management teams that can leverage on growth opportunities with strong execution and integrity. We consider investments across various sectors that underpin India's growth and are specifically interested in the financial services, technology & consumer sectors that already accounts for a significant portion of our portfolio.