

## PRESS RELEASE

### **HDFC Life announces acquisition of Exide Life Insurance and its subsequent merger with HDFC Life**

- HDFC Life to acquire 100% stake in Exide Life Insurance from Exide Industries via issuance of 8,70,22,222 shares at an issue price of Rs. 685 per share and a cash payout of Rs. 726 crore, aggregating to Rs. 6,687 crore
- Proposed transaction will accelerate the growth of Agency business of HDFC Life as well as strengthen other distribution channels including Broker, Direct and Co-operative Banks
- Complementary geographical presence with a strong foothold in South India, especially in Tier 2 and Tier 3 locations
- Customers to benefit from stronger product suite, wider distribution network and more service touch points
- Synergies to enhance shareholder value with potential to improve new business margins via operating leverage and product mix optimisation

**Mumbai, September 3, 2021:** The Board of Directors of HDFC Life Insurance Company Limited (“HDFC Life”), Exide Industries Limited (“Exide Industries”) and Exide Life Insurance Company Limited (“Exide Life”), at their respective meetings held today, approved the transaction involving the sale of Exide Life Insurance to HDFC Life. HDFC Life will acquire 100% stake in Exide Life Insurance from Exide Industries via issuance of 8,70,22,222 shares at an issue price of Rs. 685 per share and a cash payout of Rs. 726 crore aggregating to Rs. 6,687 crore. The process for merger of Exide Life into HDFC Life will be initiated on completion of the acquisition. The entire process, including the acquisition and subsequent merger, is subject to obtaining the relevant regulatory and other approvals.

The proposed transaction will give customers access to a wider bouquet of products and service touch points. Employees and agents will benefit from a larger, stronger organisation that realises the synergies arising out of complementary business models built on similar ethos. The proposed transaction will accelerate the growth of the Agency business of HDFC Life. Exide Life complements HDFC Life’s geographical presence and has a strong foothold in South India, especially in Tier 2 and 3 towns, thus providing access to a wider market. Further, a good quality, predominantly traditional and protection focussed business, will augment the existing embedded value of HDFC Life by approximately 10%. The embedded value of Exide Life, as on 30th June 2021, is Rs. 2,711 crore and has been reviewed by Willis Towers Watson Actuarial Advisory LLP. HDFC Life’s scale, market-leading digital and product innovation capabilities and prudent risk management strategy will aid in optimizing cost and over time, achieve higher margins for the acquired business.

The closure of the proposed transaction will *inter alia* be subject to approval by relevant regulators including the Insurance Regulatory and Development Authority of India (IRDAI), Competition Commission of India (CCI), National Company Law Tribunal (NCLT), stock exchanges and approval by the shareholders of HDFC Life and Exide Industries.

Commenting on the proposed transaction, Mr. Deepak S. Parekh, Chairman, HDFC Life said, “This is a landmark transaction, first of its kind, in the Indian life insurance space. It would enhance insurance penetration and further our purpose of providing financial protection to a wider customer base.”

Ms. Vibha Padalkar, MD & CEO, HDFC Life said, “We believe that this amalgamation can result in value creation for customers, employees, shareholders and distribution partners. It gives us an opportunity to realise synergies arising out of complementary business models, and further bolster our proprietary distribution network.”

Mr. Rajan B Raheja, Vice Chairman, Exide Industries Limited and Chairman, Exide Life Insurance Company Limited said, “The focus of Exide Industries has always been to enhance the value for its stakeholders. The proposed transaction is another step taken by Exide to meet above stated objective. It is likely to be a win-win situation for all stakeholders, since our subsidiary, Exide Life Insurance is going into the hands of HDFC Life Insurance, which has an established track record of value creation.”

Mr. Kshitij Jain, MD & CEO, Exide Life Insurance Company Limited said, “This transaction is testimony to the reputation that Exide Life insurance has built of being a well-managed company. We look forward to working closely with the HDFC life team on the proposed transaction. Being part of one of India’s most respected life insurance companies will certainly benefit our customers, employees, agents and partners.”

### **Transaction Advisors**

AZB & Partners acted as the legal advisor to HDFC Life and Trilegal acted as the legal advisor to Exide Life and Exide Industries.

Deloitte Touche Tohmatsu India LLP and Ms. Rashmi Shah FCA (Registered Valuer) were appointed as valuers for the transaction by HDFC Life, and Desai Haribhakti & Co, Chartered Accountants and Mr. S. Sundararaman (Registered Valuer) were appointed as valuers by Exide Industries.

JM Financial Limited and Ambit Private Limited provided fairness opinions to the Boards of HDFC Life and Exide Industries respectively.

Further details with respect to the proposed transaction have been uploaded along with this press release.

### **About HDFC Life**

HDFC Life Insurance Company Limited (formerly HDFC Standard Life Insurance Company Limited) ('HDFC Life' / 'Company') was established as a joint venture between HDFC Ltd., India's leading housing finance institution and Standard Life Aberdeen, a global investment company.

Established in 2000, HDFC Life is a leading long-term life insurance solutions provider in India, offering a range of individual and group insurance solutions that meet various customer needs such as Protection, Pension, Savings, Investment, Annuity and Health. As on June 30, 2021, the Company had 37 individual and 13 group products in its portfolio, along with 7 optional rider benefits, catering to a diverse range of customer needs.

HDFC Life continues to benefit from its increased presence across the country having a wide reach with 390 branches and additional distribution touch-points through several new tie-ups and partnerships. The count of our partnerships is around 300, comprising traditional partners such as NBFCs, MFIs and SFBs, and including new-ecosystem partners. The Company has a strong base of financial consultants.

### **About Exide Life**

Exide Life Insurance Company Limited, a 100% owned subsidiary of Exide Industries Limited is an established and profitable life insurance Company. It commenced operations in 2001-02 and is head quartered in Bengaluru. The Company manages a customer base of 11.9+ lakhs and assets over Rs. 18,781 crores (as on June 30, 2021). During the financial year 2020-21, the Company achieved total premium income of over Rs. 3,325 crore. Exide Life Insurance distributes its wide range of Insurance products through multiple channels viz. agency, bancassurance, corporate agency & broking, direct channel and online. The agency channel comprises of 36,700+ advisors and has presence spread across the country through a wide 200+ branch network.

### **About Exide Industries**

Exide Industries Limited is India's largest manufacturer of lead-acid storage batteries, offering the widest range of products to the automotive and industrial sectors. With a market capitalization of over Rs. 15,000 crore (as on June 30, 2021) and century old brand equity, it has the capacity to produce 57 million units of automotive batteries and over 5 billion Ampere-hours of Industrial power. Backed by a robust 55,000 plus direct and indirect dealer network and ten state-of-the-art manufacturing facilities in India, it has global presence in more than 60 countries. Exide is a market leader for last 75 years since its inception and is the only lead-acid battery company in the world to make batteries from 2.5 Ah to 20,200 Ah.