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PRESS RELEASE

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**LIC completes 51% controlling acquisition in IDBI Bank**

**Mumbai, January 21, 2019:** LIC completed acquisition of 51% controlling stake in IDBI Bank today on 21st January 2019, making it the majority shareholder of the bank. The deal, conceptualized in June 2018, is envisaged as a win-win situation for both IDBI Bank and LIC with an opportunity to create enormous value for shareholders, customers & employees of both entities through mutual synergies. The transaction promises a paradigm shift for both partners, creating for the first-time a unique financial conglomerate in India. LIC and IDBI Bank are two of the most trusted brands in the country. Strong together, they bring the convenience of banking and insurance services under one window for all their customers.

IDBI Bank has about 1.5 crore retail customers and about 18,000 employees. With this deal, LIC will have a strategic investment in a large bancassurance channel, thereby increasing its productivity and reducing distribution costs. Over 1800 branches of IDBI Bank can be used as touch points for selling LIC policies. More than 900 of the bank's branches are also proposed to be enabled for settlement payments via NEFT. The bank will extend its cash management facility to LIC, which will help in boosting its current account balances and reduce its cost of funds. IDBI Bank will get access to a wide network of over 1 lac employees and 11 lac agents of LIC. In addition, LIC employees and agents will get access to preferential and value-added banking services. Customers' trust in the LIC brand will strengthen IDBI Bank's position in the industry.

The bank will significantly increase its investments in building data analytics capabilities to analyze customer behavior of both entities. This will enable the bank to enhance its product offerings, reduce distribution cost, de-risk portfolio and support retail business build. Retail loan portfolio for IDBI Bank has already increased from 32% of overall lending in FY 15 to 46% in FY 18, and is expected to reach 50% by FY 20.

Significant revenue synergies are estimated from the partnership. IDBI Bank and LIC have started working to ensure full realization of their synergies over the next 12 months. Improved financial health will pave the way for the bank to exit from PCA in a time bound manner and be a future-ready, top ranked bank.

LIC and IDBI Bank are committed to serve the interests of all stakeholders.

**All representatives of Print, Wire and Electronic Media.**

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