

PRESS RELEASE

Mahindra Finance attracts new investment with focus on increasing insurance penetration in Rural India

- XL Group to acquire a 20% minority stake in Mahindra Insurance Brokers Ltd. (MIBL) - MIBL valuation at Rs.1,300 crores (approx. US\$ 200 million) - MIBL has serviced over 8 million cases since inception in 2004

Mumbai, October 16, 2017 – Mahindra Insurance Brokers Ltd. (MIBL), a leading insurance broker primarily serving rural and semi-urban India, today announced that XL Group – through its subsidiaries a leading global insurer and reinsurer operating under the XL Catlin brand – is to acquire a 20% minority stake in the company, subject to satisfaction of customary closing conditions by all stakeholders. MIBL, a subsidiary of Mahindra & Mahindra Financial Services Ltd. (Mahindra Finance) and a licensed Composite Broker, has demonstrated noteworthy growth and profitability over the past 13 years. MIBL’s current valuation is at Rs.1,300 crores (approx. US\$ 200 million).

The existing shareholder in MIBL, LeapFrog Financial Inclusion Fund, through its subsidiary Inclusion Resources Private Ltd (IRPL), currently holds a 15% equity stake in MIBL. It will purchase an additional 5% stake in MIBL from Mahindra Finance (taking its total equity stake in MIBL to 20%), and immediately sell the entire capital of IRPL to XL Group, subject to necessary regulatory approvals.

Since inception in 2004, MIBL has serviced over 8 million insurance cases, safeguarding the livelihoods of millions across rural India by protecting their assets and loans taken for buying tractors and vehicles.

XL Group will help support MIBL’s endeavours to increase insurance awareness and penetration in under- penetrated markets and across under-served customers in rural India.

Mr. Ramesh Iyer, Vice-Chairman & Managing Director, Mahindra Finance, President – Financial Services Sector and Member of the Group Executive Board of the Mahindra Group said, “Mahindra Finance is one of the largest Non-Banking Financial Companies in India, with a focus on rural and semi- urban markets. The investment by XL Group, a leading global insurance and reinsurance group with expertise in emerging markets, will help increase insurance penetration and drive positive change in the lives of rural India. We would like to thank LeapFrog for partnering with us earlier in our shared mission of industry leadership and social impact.”

Mr. Greg Hendrick, President, P&C Insurance and Reinsurance, XL Catlin, said, “This minority investment plays to our commitment to emerging markets and to supporting insurance penetration in developing economies, helping improve economic resilience by closing the gap between economic and insured losses. It will also provide us a chance to better understand the primary retail insurance and distribution landscapes in the rapidly developing Indian market.”

Dr. Jaideep Devare, Managing Director, Mahindra Insurance Brokers Limited, said, “MIBL has been adding value to customers across rural India through its innovative solutions and superior services. We want to introduce insurance ideas from the global markets, suitably adapted for the

Indian market. MIBL would continue to focus on the rural and semi-urban areas, where insurance penetration is low and the need for social and economic progress that insurance inclusion can bring is high. We will welcome XL Group as a valuable partner to drive dialogue on these efforts.”

XL Group has a large shared service operation presence in India, at Gurugram and Bengaluru, operating under the brand XL Catlin. It provides business and underwriting support, claims administration, actuarial services, finance and accounting, and more. The Group also has a fully licensed reinsurance branch office also operating under the XL Catlin brand, in Mumbai.

The Mahindra Group has a significant footprint in rural India through the sale of utility vehicles, tractors, commercial vehicles, two-wheelers, and rural home loans. Mahindra Finance's rural financing is considered to be the cornerstone of poverty reduction, rural development and inclusive growth in many parts of the country.

Mahindra Finance has been serving the rural and semi-urban population by providing loans to low income groups through its extensive network of branches spreading over 1,100 locations in these geographies. Leveraging on these strengths, MIBL aims to become India's first company to rank among the Global Top 100 insurance brokers in revenue by 2020.

About XL Group Ltd XL Group Ltd (NYSE:XL), through its subsidiaries and under the XL Catlin brand, is a global insurance and reinsurance company providing property, casualty and specialty products to industrial, commercial and professional firms, insurance companies and other enterprises throughout the world. Clients look to XL Catlin for answers to their most complex risks and to help move their world forward. To learn more, visit www.xlgroup.com

About Mahindra & Mahindra Financial Services Limited Mahindra & Mahindra Financial Services Limited (Mahindra Finance), part of the Mahindra Group, is one of India's leading non-banking finance companies. Focused on the rural and semi-urban sector, Mahindra Finance has over 4.8 million customers and has an AUM of over USD 6 billion. Mahindra Finance is a leading vehicle and tractor financier and also offers fixed deposits and loans to SMEs. It has 1,178 offices across the country and is the first Non-Banking Finance Company from India to form a part of Dow Jones Sustainability Index. Mahindra Finance has been ranked 49th in the Top 50 "India's Best Companies to Work For 2016" by Great Place to Work® (GPTW) Institute in collaboration with The Economic Times.

Mahindra Finance's Insurance Broking subsidiary, Mahindra Insurance Brokers Limited (MIBL), is a licensed Composite Broker providing Direct and Reinsurance broking services.

Mahindra Rural Housing Finance Limited (MRHFL) a subsidiary of Mahindra Finance provides loans for purchase, renovation, construction of houses to individuals in the rural and semi-urban areas of the country.

Mahindra Asset Management Company Private Limited (MAMCPL), a wholly-owned subsidiary of Mahindra Finance, is acting as the Investment Manager of Mahindra Mutual Fund.

Mahindra Finance has a JV in US, Mahindra Finance USA LLC, in partnership with De Lage Landen, a subsidiary of Rabo Bank, for financing Mahindra tractors in US. Visit us at: www.mahindrafinance.com

About Mahindra The Mahindra Group is a USD 19 billion federation of companies that enables people to rise through innovative mobility solutions, driving rural prosperity, enhancing urban living, nurturing new businesses and fostering communities. It has a leadership position in utility vehicles, information technology, financial services and vacation ownership in India and is the

world's largest tractor company, by volume. It also enjoys a strong presence in agribusiness, components, commercial vehicles, consulting services, energy,

industrial equipment, logistics, real estate, steel, aerospace, defence and two wheelers. Headquartered in India, Mahindra employs over 200,000 people across 100 countries. Learn more about Mahindra on www.mahindra.com / Twitter and Facebook: @MahindraRise

Media contact information Metabelle Lobo Sinead Finlay GM – Group Communications
Communications Director Mahindra & Mahindra Ltd XL Group Phone: +91 22 2497 5178 Phone:
+44(0)2076214377 Email: lobo.metabelle@mahindra.com Email: sinead.finlay@xlcatlin.com