

Nippon Life to buy 23% stake in Reliance Life for ₹2,265 crore

Deal values company at ₹9,847 crore; joint venture to be renamed Reliance Nippon Life

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Reliance Capital will sell 23 per cent stake in its life insurance joint venture with its Japan-based partner, Nippon Life Insurance, for ₹2,265 crore. The deal values Reliance Life Insurance, the JV, at ₹9,847 crore. Nippon Life will hold 49 per cent in the life insurance company, to be renamed Reliance Nippon Life Insurance, after the deal.

The transaction is expected to be completed this financial year, subject to regulatory approvals, said Reliance Capital. Nippon Life has signed definitive agreements to increase its stake in Reliance Life, a part of Reliance Capital, from 26 per cent to 49 per cent, Reliance Capital said.

“Nippon Life Insurance’s

DEAL TRACKER

Recent insurance stake sales and company valuations*

Insurer	Valuation (₹ crore)
AEGON Religare Life	2,434.60
Bharti AXA Life	3,206.00
Bharti AXA General	1,610.00
Edelweiss Tokio Life	2,347.00
HDFC Life	18,951.40
ICICI Lombard	17,225.00
ICICI Prudential Life Insurance	32,500.00
Max Bupa Health Insurance	830.43
Reliance Life Insurance	9,847.00

*Estimated value based on transaction /deal size for hike in stake

investment also represents an implied embedded value multiple of over three times for Reliance Life Insurance, the highest for any private insurer in India till date,” said a statement by the company. The

Japanese company will invest ₹2,265 crore (\$348 million) to acquire the 23 per cent stake in Reliance Life.

Anil D Ambani, chairman of Reliance Group, said, “We are delighted that the out-

standing relationship between our two companies has now grown into an equal partnership, with Nippon Life increasing their stake — first, in our asset management business and now, in our life insurance business — to 49 per cent.”

Life insurance is one of Reliance Capital’s major businesses, he said, and Nippon Life’s experience of over 125 years would accelerate the group’s growth in this space.

The boards of directors of Nippon and Reliance Capital have approved the deal.

Nippon Life Insurance would have, with this transaction, invested an aggregate of ₹5,327 crore (\$819 million) for 49 per cent in Reliance Life Insurance. It has also committed ₹3,303 crore (\$508 million) to acquire 49 per cent in Reliance

Capital Asset Management, taking its investment to ₹8,630 crore (\$1.3 billion).

Yoshinobu Tsutsui, president of Nippon Life Insurance, said, “This additional investment represents not only the past efforts and initiatives but also the good relationship between both companies, and we are pleased to further strengthen this partnership in various fields.”

Reliance Life Insurance recorded new business premium of ₹601 crore and total funds under management of ₹15,524 crore for the quarter ended September 30. The profit after tax for the quarter stood at ₹15.1 crore, against ₹52.5 crore in the year-ago period. In the insurance space, Reliance Capital also has a general insurance venture, Reliance General Insurance, not having any foreign JV partner.