

**MEDIA RELEASE**

**RELIANCE CAPITAL REPORTS CONSOLIDATED TOTAL INCOME OF RS. 1,469 CRORE (US\$ 316 MILLION) FOR THE QUARTER, AS AGAINST RS. 1,514 CRORE - MARGINAL DECREASE OF 3%**

**RELIANCE CAPITAL REPORTS CONSOLIDATED NET PROFIT OF RS. 151 CRORE (US\$ 33 MILLION) FOR THE QUARTER, AS AGAINST RS. 343 CRORE - DECREASE OF 56%**

**LOWER CAPITAL GAINS BOOKED THIS QUARTER AS SUBSTANTIAL GAINS LIKELY TO BE BOOKED LATER THIS YEAR FROM PLANNED STAKE SALE IN RELIANCE LIFE INSURANCE**

**STRONG GROWTH IN ALL MAJOR BUSINESSES**

**RELIANCE MUTUAL FUND – INDIA'S NO. 1 MUTUAL FUND – AVERAGE AUM AT RS. 1,08,322 CRORE (US\$ 23 BILION) – UP 19%**

**RELIANCE LIFE INSURANCE – TOTAL PREMIUM AT RS. 903 CRORE (US\$ 194 MILLION) – UP 20%**

**RELIANCE LIFE INSURANCE - #1 IN TERMS OF POLICIES SOLD IN PRIVATE SECTOR THIS QUARTER- OVER 4,00,000 POLICIES**

**RELIANCE LIFE INSURANCE – OVER 3.5 MILLION POLICIES IN FORCE**

**RELIANCE LIFE INSURANCE – TOTAL FUNDS UNDER MANAGEMENT AT RS. 8,293 CRORE (US\$ 1.7 BILLION) – UP 112%**

**NO FRESH CAPITAL INFUSION REQUIRED BY RELIANCE LIFE INSURANCE DURING THIS QUARTER**

**RELIANCE CAPITAL'S TOTAL CUSTOMER BASE CROSSES 17 MILLION**

**NET WORTH OF RS. 7,500 CRORE (US\$ 1.6 BILLION) – RANKS AMONG THE TOP 3 INDIAN PRIVATE SECTOR FINANCIAL SERVICES GROUPS**

**Mumbai, July 31, 2009:** Reliance Capital Limited (RCL) today announced its un-audited financial results for the quarter ended June 30, 2009. The performance highlights are:

**Consolidated – Quarter ended June 30, 2009**

- **Total income of Rs 1,469.2 crore (US\$ 316 million), against Rs 1,514.4 crore in the corresponding period – a marginal decrease of 3%**
- **Net profit of Rs 151.0 crore (US\$ 33 million), against Rs 343.1 crore in the corresponding period – a decrease of 56%**

- Decrease in total income and profits were due to planned lower contribution from finance and investments, while the core businesses of asset management, insurance and consumer finance maintained steady revenue flows. For this quarter, **lower capital gains were booked**, owing to the **planned partial stake sale later this year in Reliance Life Insurance, subject to necessary approvals**. Being the sole beneficiary of Reliance Life Insurance, the **full benefit** of this value unlocking will form a part of **Reliance Capital's net profit for the current financial year**.

## Net worth:

As on June 30, 2009, the **net worth of the company stood at Rs 7,500 crore (US\$ 1.6 billion)**.

**The company ranks among the top 3 Indian private sector financial services groups in terms of net worth.**

## Credit Rating:

The Company has a **net debt equity ratio of 1.6** as on June 30, 2009, and enjoys the highest top-end ratings of 'A1+' and 'F1+' by ICRA and FITCH, respectively.

## Operational Review:

As on June 30, 2009, the **total assets of the company stood at Rs 25,074 crore (US\$ 5.2 billion)**, an **increase of 26%** over the previous corresponding period.

The investment portfolio of listed equities as on June 30, 2009, amounted to Rs. 2,104 crore (US\$ 440 million), at cost.

The company has **not raised any fixed deposits** from the public.

## Group Companies:

### **Reliance Mutual Fund (RMF)**

### **Reliance Capital Asset Management (RCAM),**

- **Reliance Mutual Fund (RMF)** continues to be the market leader and is ranked as **India's No. 1 Mutual Fund** in terms of AUM, with market share of **16.1%**
- The **average assets under management (AAUM)**, increased to **Rs 1,08,322 crore (US\$ 23 billion)** for June 30, 2009 from Rs 90,813 crore for June 30, 2008, an **increase of 19%**. RMF is the largest mutual fund in the country. The number of investors increased to nearly **71 lakhs** as on June 30, 2009, highest amongst the private sector mutual funds.
- In the month of May 2009, RMF launched a New Fund – **Reliance Infrastructure Fund**. The fund collected around **Rs. 2,300 crore** from over 4.2 lakh investors – which was twice the aggregate amount collected by all equity NFOs in the Indian mutual fund industry in the past 12 months

- The net profit of RCAM was Rs 37 crore (US\$ 8 million) for the quarter ended June 30, 2009, as against Rs. 33 crore for the corresponding previous period – an increase of 14%.

## Reliance Life Insurance

- Reliance Life Insurance (RLI) maintains its position as the 4<sup>th</sup> largest private sector life insurance player with a market share of 9.3% of the private sector
- The Total Premium was Rs. 903 crore (US\$ 194 million) for the quarter as against Rs. 749 crore in the corresponding previous period, an increase of 20%
- This quarter, RLI ranked #1 in the private sector life insurance industry in terms of policies sold. The number of policies sold during the quarter were 4,15,747 as against 2,86,700 for the corresponding previous period – an increase of 45%
- The Annualized Premium Equivalent\* (APE) was Rs. 449 crore (US\$ 97 million) for the quarter as against Rs. 420 crore in the corresponding previous period, an increase of 7% as against a decrease of 7% in APE reported by the Indian life insurance industry and 18% by the private sector life insurance players
- The Renewal Premium was at Rs. 398 crore (US\$ 86 million) for the quarter as against Rs. 192 crore, an increase of 105%
- The distribution network increased to 1,145 branches at the end of June 30, 2009 against 745 branches at the end of June 30, 2008
- The number of agents at the end of June 30, 2009 was as 1,61,093 as against 1,93,648 agents at the end of June 30, 2008, a decrease of 17%, reflecting the emphasis on productivity
- The total funds under management as on June 30, 2009 increased to Rs. 8,293 crore (US\$ 1.7 billion) as against Rs. 3,913 crore for the corresponding previous period – an increase of 112%
- During the quarter, the business did not require any fresh capital infusion, as against Rs. 330 crore invested in the corresponding previous period. The capital invested till date in this business, is Rs. 2,743 crore (US\$ 573 million)

\*APE = Regular new business premium + 10% of single new business premium

## Reliance General Insurance

- Reliance General Insurance (RGI) offers auto insurance, health insurance, home insurance, property insurance, travel insurance, marine insurance, commercial insurance and other speciality insurance products
- RGI is one of the top 3 private sector general insurance companies in India (in terms of gross written premium). It has a market share of 6.3% of the Indian general insurance industry
- Gross Direct Premium for the quarter ended June 30, 2009 was Rs 557 crore (US\$ 120 million) as against Rs. 556 crore in the corresponding previous period

- The **combined ratio** (without third party motor pool) **significantly improved to 108% from 113%** of the corresponding previous period. Combined ratio is the sum of claims, commissions and management expenses
- The business achieved a profit of **Rs. 1 crore (US\$ 0.2 million)** as against a loss of Rs. 14 crore for the corresponding previous period
- RGI had a **distribution network of 200 branches** and over 5,400 intermediaries, at the end of June 30, 2009

## Reliance Consumer Finance

- Reliance Consumer Finance (RCF) offers a wide range of products which include Vehicle loans (car and commercial), Home loans, Loan against property and SME loans
- As on June 30, 2009, the **loan book size** remained steady at **Rs. 8,511 crore (US \$ 1.8 billion)**. This loan book is spread across 1,25,000 customers from top 20 Indian metros
- RCF disbursed loans of **Rs. 683 crore (US\$ 147 million)** during the quarter, as against Rs. 1,434 crore for the corresponding previous period
- Reliance Consumer Finance generated **revenues of Rs. 288 crore (US\$ 62 million)** for the quarter ended June 30, 2009, as against Rs. 262 crore for the corresponding previous period.
- RCF achieved a **profit before tax of Rs. 9 crore (US\$ 2 million)** for the quarter, an **increase of 491% over the previous quarter**

## Reliance Money

- Reliance Money is a comprehensive financial services and solutions provider, providing customers with access to equities, equity options and commodities futures, mutual funds, IPOs, life and general insurance products, offshore investments and credit cards
- Reliance Money is a **leading brokerage and distributor of financial products in India** with 3.5 million customers and the largest distribution network of **8,673 outlets in over 5,000 locations**
- Reliance Money generated **revenues of Rs 68 crore (US\$ 15 million)** for the quarter ended June 30, 2009 as against Rs. 78 crore of the corresponding previous period
- The business achieved a profit of **Rs. 10 crore (US\$ 0.2 million)**, as against a loss of Rs. 11 crore in the previous quarter
- In April 2009, Reliance Money was adjudged the **'Best Equity Broking House 2009'** and the **'Largest E-broking House'** by Dun and Bradstreet

## Update on other businesses

- **Reliance Asset Reconstruction** which is in the business of acquiring, managing and resolving distressed assets, has as **asset base of over Rs. 26 crore (US\$ 6 million)**

- **Reliance Equities International**, the institutional broking business of Reliance Capital, tied up with **Auerbach Grayson**, a New York based stock broker committed to serving the international needs of major US institutional investors, with a focus on emerging markets. Through this tie- up, Reliance Equities International will increase its presence and distribution in North America through their 400 plus clients. It also provides access to Auerbach's global research spread across 120 countries

## **Background:**

Reliance Capital Ltd is a part of the Reliance - Anil Dhirubhai Ambani Group and is one of India's leading private sector financial services companies, and ranks among the top 3 private sector financial services and banking groups, in terms of net worth.

The Reliance Anil Dhirubhai Ambani Group currently has a market capitalization of over Rs 1,60,000 crore (US\$ 33 billion), net worth in excess of Rs. 64,000 crore (US\$ 13 billion), cash flows of Rs. 13,000 crore (US\$ 3 billion) and net profit of Rs. 8,000 crore (US\$ 2 billion).

Reliance Capital has interests in asset management and mutual funds, life and general insurance, private equity and proprietary investments, stock broking, depository services, distribution of financial products, consumer finance and other activities in financial services.