

MEDIA RELEASE

RELIANCE CAPITAL REPORTS CONSOLIDATED TOTAL INCOME OF RS 1,485 CRORE (US\$ 318 MILLION) FOR THE QUARTER, AS AGAINST RS 1,573 CRORE – DECREASE OF 6%

RELIANCE CAPITAL REPORTS CONSOLIDATED NET PROFIT OF RS 63 CRORE (US\$ 14 MILLION) FOR THE QUARTER, AS AGAINST RS 132 CRORE – DECREASE OF 52%

LOWER CAPITAL GAINS BOOKED THIS QUARTER AND NINE MONTHS AS SUBSTANTIAL GAINS LIKELY TO BE BOOKED LATER THIS YEAR FROM PLANNED STAKE SALES IN OPERATING BUSINESSES

RELIANCE MUTUAL FUND – INDIA'S NO. 1 MUTUAL FUND – AVERAGE AUM AT RS 1,19,982 CRORE (US\$ 26 BILLION) – UP 71%

RELIANCE CAPITAL ASSET MANAGEMENT – PROFIT AFTER TAX FOR THE QUARTER AT RS. 48 CRORE (US\$ 10 MILLION) – UP 86%

RELIANCE LIFE INSURANCE – TOTAL PREMIUM FOR THE QUARTER AT RS 1,603 CRORE (US\$ 344 MILLION) – UP 40%

RELIANCE LIFE INSURANCE - #1 IN TERMS OF POLICIES SOLD IN PRIVATE SECTOR FOR THE THIRD CONSECUTIVE QUARTER- OVER 6,88,000 POLICIES

RELIANCE LIFE INSURANCE – TOTAL FUNDS UNDER MANAGEMENT AT RS 11,546 CRORE (US\$ 2 BILLION) – UP 134%

RELIANCE LIFE INSURANCE – NO CAPITAL INFUSION REQUIRED IN THE QUARTER AS AGAINST RS. 3.3 BILLION IN THE CORRESPONDING PREVIOUS PERIOD

RELIANCE CONSUMER FINANCE – PROFIT BEFORE TAX FOR THE QUARTER AT RS. 38 CRORE (US\$ 8 MILLION) – UP 161%

NET WORTH OF RS 7,823 CRORE (US\$ 2 BILLION) – RANKS AMONG THE TOP 3 INDIAN PRIVATE SECTOR FINANCIAL SERVICES GROUPS

TOTAL ASSETS OF RS 24,210 CRORE (US\$ 5 BILLION)

Mumbai, January 30, 2010: Reliance Capital Limited (RCL) today announced its un-audited financial results for the quarter ended December 31, 2009. The performance highlights are:

Consolidated – Quarter ended December 31, 2009

- **Total income of Rs 1,484.8 crore (US\$ 318 million)**, against Rs 1,573.1 crore in the corresponding period – a decrease of 6%
- **Net profit of Rs 63.2 crore (US\$ 14 million)**, against Rs 131.5 crore in the corresponding period – a decrease of 52%
- **Lower capital gains were booked** in the quarter, owing to the **planned partial stake sale later this year in the operating businesses, subject to necessary approvals**. Being the sole beneficiary of its operating businesses, 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 December 31, 2009, the net worth of the company stood at Rs 7,832.5 crore (US\$ 2 billion).

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

Credit Rating:

The Company had a net debt equity ratio of 1.4 as on December 31, 2009. It enjoys the highest top-end ratings of 'A1+' and 'F1+' by ICRA and FITCH, respectively for its short term borrowing program and 'CARE AAA' for its long term borrowing program.

Operational Review:

As on December 31, 2009, the total assets of the company stood at Rs 24,210.1 crore (US\$ 5 billion), an increase of 8% over the previous corresponding period.

The investment portfolio of listed equities as on December 31, 2009, amounted to Rs 1,313.2 crore (US\$ 282 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 15.1%**
- The **average assets under management (AAUM)**, increased to **Rs 1,19,982 crore (US\$ 26 billion)** for December 31, 2009 from Rs 70,208 crore for December 31, 2008, an **increase of 71%**
- RMF continues to focus on the retail investor community. The number of investors increased to **71.6 lakhs** as on December 31, 2009, highest amongst the private sector mutual funds
- RCAM's **income from its operations was Rs 196 crore (US\$ 42 million)** for the quarter ended December 31, 2009, as against Rs 92 crore for the corresponding previous period – **an increase of 115%**
- The **net profit** of RCAM was **Rs 48 crore (US\$ 10 million)** for the quarter ended December 31, 2009, as against Rs 26 crore for the corresponding previous period – **an increase of 86%**
- During the quarter, RCAM won the **highly acclaimed international award – 'Asia Risk Award for Asset Manager of the Year 2009'**, for its robust risk management practices. RCAM is the only Indian asset management company to be awarded this prestigious award
- As on December 31, 2009, the **AUM of Reliance Asset Management (Singapore) Pte Ltd**, a wholly owned subsidiary of RCAM, was at **US\$ 185 million** as against US\$ 152 million as on December 31, 2008 – **an increase of 22%**

Reliance Life Insurance

- Reliance Life Insurance (RLI) among the **top 4 private sector life insurance players** with a **market share of 9.3%** of the private sector
- **Total Premium was Rs 1,603 crore (US\$ 344 million)** for the quarter ended December 31, 2009 as against Rs 1,148 in the corresponding previous period, **an increase of 40%**
- **New Business Premium was Rs 921 crore (US\$ 197 million)** for the quarter ended December 31, 2009 as against Rs 830 crore in the corresponding previous period, **an increase of 11%**
- **Renewal Premium was at Rs 686 crore (US\$ 147 million)** for the quarter ended December 31, 2009 as against Rs 319 crore in the corresponding previous period, **an increase of 115%**
- For the **third consecutive quarter**, RLI sold the **largest number of policies** in the private sector life insurance industry. The number of policies sold during the quarter were **6,88,979** as against 5,91,201 for the corresponding previous period, **an increase of 17%**
- The **distribution network** increased to **1,247 branches** at the end of December 31, 2009 against 1,145 branches at the end of December 31, 2008
- The **number of agents** at the end of December 31, 2009 were at **1,92,347** as against 1,41,603 agents at the end of December 31, 2008, an increase of 36%
- The **total funds under management** as on December 31, 2009 increased to **Rs 11,546 crore (US\$ 2 billion)** as against Rs 4,936 crore for the corresponding previous period, **an increase of 134%**
- During the quarter, **no capital infusion was required** in the quarter as against Rs 326 crore in the corresponding previous period. The **capital invested till date** in this business, is **Rs 2,808 crore (US\$ 602 million)**

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 6.2%** of the Indian general insurance industry and a 15.3% market share of the private general insurers
- **Gross Direct Premium** for the quarter ended December 31, 2009 was **Rs 518 crore (US\$ 111 million)** as against Rs 509 crore in the corresponding previous period, an increase of 2%
- The **combined ratio** (with third party motor pool) **improved to 112%** from 114% for the corresponding previous period. Combined ratio is the sum of claims, commissions and management expenses
- Loss for the quarter was **Rs 7 crore (US\$ 2 million)** for the quarter ended December 31, 2009 as against loss of Rs 12 crore for the corresponding previous period

- RGI had a **distribution network** of **200 branches** and **over 5,100 intermediaries**, at the end of December 31, 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
- The outstanding **loan book** as on December 31, 2009 was at **Rs 7,788 crore (US\$ 2 billion)**, against Rs 8,902 crore as on December 31, 2008, **a decrease of 13%**. This loan book is spread **across 1,15,517 customers** from top 18 Indian metros
- The focus is to increase secured asset lending and de-emphasise unsecured loans. The **disbursements** for the quarter ended December 31, 2009 **were Rs 1,442 crore (US\$ 309 million)** as against Rs 210 crore for corresponding previous period, an increase of 586%
- RCF **securitized** loans of **Rs 1,063 crore (US\$ 228 million)** in the quarter ended December 31, 2009. In the nine months ended December 31, 2009, the Company has securitized loans of Rs 2,051 crore (US\$ 428 million)
- RCF generated **revenues of Rs 326 crore (US\$ 70 million)** for the quarter ended December 31, 2009 as against Rs 323 crore for the corresponding previous period, **an increase of 1%**
- The **profit before tax** of RCF was **Rs 38 crore (US\$ 8 million)** for the quarter ended December 31, 2009 as against Rs 15 crore for the corresponding previous period, an increase of 161%

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, wealth management products, investment banking, gold coins and financial services like money changing and money transfer
- Reliance Money is a **leading brokerage and distributor of financial products in India** with a pan India presence with over **5,000 outlets**
- Reliance Money maintained **revenues of Rs 54 crore (US\$ 12 million)** for the quarter ended December 31, 2009 as against Rs 61 crore for the quarter ended September 30, 2009
- The business achieved a **profit before tax of Rs 0.07 crore (US\$ 15,009)** for the quarter ended December 31, 2009, as against Rs 4 crore for the quarter ended September 30, 2009

Update on other businesses

- **Reliance Exchange Next**, a new initiative of Reliance Capital in the exchange space, commenced operations by launching **Reliance Spot Exchange (RSX)** in the month of October 2009. The first contract on the e-auction platform being metals, subsequently also added spices in the month of December 2009. RSX aims to bring different markets together on a national electronic platform thereby creating transparency, efficiency and infrastructure for spot markets across India
- In the institutional broking space, Reliance Capital plans to acquire a majority stake in **Quant Capital Group**. Subject to necessary regulatory approvals, **Reliance Equity International (institutional broking arm of Reliance Capital)** and Quant Capital will integrate and increase scale of operations through business synergies and cost optimization

Quant Capital focuses primarily on the institutional cash equities and equity derivatives business. Apart from traditional fundamental research, it also combines quantitative and behavioral research to forecast trends and inflection for global currencies, commodities, and equities. Quant Capital has built and implemented state of the art trading, risk and operational platforms. The firm employs over 100 professionals with diverse skills sets

- **Reliance Asset Reconstruction** which is in the business of acquiring, managing and resolving distressed assets, has as asset base of over **Rs 20 crore (US\$ 4 million)**
- **Reliance Equity Advisors**, wholly owned subsidiary of Reliance Capital, was set up with the objective of raising third party, sector agnostic private equity fund. The first round of fund raising was completed in the quarter and received excellent commitments from HNIs, domestic banks & financial institutions.

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 1,10,000 crore (US\$ 24 billion). As on March 31, 2009, the Group achieved net worth in excess of Rs 78,000 crore (US\$ 16 billion), cash flows of Rs 13,000 crore (US\$ 3 billion) and net profit of over Rs 8,700 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, investment banking, wealth management services, consumer finance and other activities in financial services.