

MEDIA RELEASE

RELIANCE CAPITAL REPORTS CONSOLIDATED TOTAL INCOME OF RS. 1,447 CRORE (US\$ 295 MILLION) FOR THE QUARTER, AS AGAINST RS. 1,305 CRORE - INCREASE OF 11%

RELIANCE CAPITAL REPORTS CONSOLIDATED NET PROFIT OF RS. 156 CRORE (US\$ 32 MILLION) FOR THE QUARTER, AS AGAINST RS. 229 CRORE - DECREASE OF 32%

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

STEADY GROWTH WITH STRONG FOCUS ON PROFITABILITY, IN ALL MAJOR BUSINESSES

RELIANCE MUTUAL FUND - INDIA'S NO. 1 MUTUAL FUND - AVERAGE AUM AT RS. 1,18,251 CRORE (US\$ 25 BILLION) - UP 37%

RELIANCE LIFE INSURANCE - TOTAL PREMIUM FOR THE QUARTER AT RS. 1,261 CRORE (US\$ 260 MILLION) - UP 9%

RELIANCE LIFE INSURANCE - #1 IN TERMS OF POLICIES SOLD IN PRIVATE SECTOR THIS QUARTER- OVER 4,90,000 POLICIES

RELIANCE LIFE INSURANCE - OVER 3.7 MILLION POLICIES IN FORCE - UP 85%

RELIANCE LIFE INSURANCE - TOTAL FUNDS UNDER MANAGEMENT AT RS. 10,284 CRORE (US\$ 2 BILLION) - UP 116%

RELIANCE CAPITAL'S TOTAL CUSTOMER BASE CROSSES 18 MILLION

NET WORTH OF RS. 7,669 CRORE (US\$ 1.6 BILLION) - RANKS AMONG THE TOP 3 INDIAN PRIVATE SECTOR FINANCIAL SERVICES GROUPS

TOTAL ASSETS OF RS. 25,624 CRORE (US\$ 5 BILLION)

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

Consolidated - Quarter ended September 30, 2009

- **Total income of Rs 1,447.1 crore (US\$ 299 million), against Rs 1,305.1 crore in the corresponding period - an increase of 11%**
- **Net profit of Rs 155.8 crore (US\$ 32 million), against Rs 229.4 crore in the corresponding period - a decrease of 32%**

RELIANCE Capital

Anil Dhirubhai Ambani Group

- As was for the previous quarter, this quarter also, **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 September 30, 2009, the **net worth of the company stood at Rs 7,668.9 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 had a **net debt equity ratio of 1.5** as on September 30, 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 September 30, 2009, the **total assets of the company stood at Rs 25,623.8 crore (US\$ 5 billion)**, an **increase of 2%** over the previous corresponding period.

The investment portfolio of listed equities as on September 30, 2009, amounted to Rs. **1,594.6 crore (US\$ 332 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%**
- **The average assets under management (AAUM)**, increased to **Rs 1,18,251 crore (US\$ 25 billion)** for September 30, 2009 from **Rs. 86,494 crore** for September 30, 2008, an **increase of 37%**
- The equity AUM of RMF **grew by 85%** as against the **industry growth (minus RMF) of 74%** from **March 2009 to September 2009**. RMF **accounted for 20% of the fresh equity inflows** into the mutual fund industry

- RMF's **market share in equity** grew from **17.4% to 18.2%** from March 2009 to September 2009. For the same period, the **equity folios** increased by **2.8%** while the industry **de-grew** (minus RMF) **by 0.01%**
- The number of investors increased to **73.5 lakhs** as on September 30, 2009, highest amongst the private sector mutual funds
- RCAM's **income from its operations** was **Rs 156 crore (US\$ 32 million)** for the quarter ended September 30, 2009, as against **Rs. 117 crore** for the corresponding previous period – an increase of **33%**
- The **net profit of RCAM** was **Rs 39 crore (US\$ 8 million)** for the quarter ended September 30, 2009, as against **Rs. 34 crore** for the corresponding previous period – an increase of **16%**

Reliance Life Insurance

- **Reliance Life Insurance (RLI)** among the top 4 private sector life insurance players with a **market share of 9.4%** of the private sector
- The **Total Premium** was **Rs. 1,261 crore (US\$ 260 million)** for the quarter as against **Rs. 1,161** in the corresponding previous period, **an increase of 9%**
- This quarter, RLI sold the **largest number of policies** in the private sector life insurance industry. The **number of policies sold** during the quarter increased YoY by 4% to **4,95,560** as against **4,75,301** for the corresponding previous period, **an increase of 4%**
- The **Renewal Premium** was at **Rs. 523 crore (US\$ 108 million)** for the quarter as against **Rs. 256 crore**, **an increase of 105%**
- The **distribution network** increased to **1,174 branches** at the end of September 30, 2009 against **745 branches** at the end of September 30, 2008. RLI has received IRDA approval for opening 107 branches and opened 30 branches in September 2009
- The **number of agents** at the end of September 30, 2009 were at **1,85,703** as against **2,11,293** agents at the end of September 30, 2008, a decrease of **12%**, reiterating our emphasis on productivity and performance
- The **total funds under management** as on September 30, 2009 **increased to Rs. 10,284 crore (US\$ 2 billion)** as against **Rs. 4,757 crore** for the corresponding previous period, **an increase of 116%**
- During the quarter, capital infused into the business was **only Rs. 65 crore (US\$ 13 million)** as against **Rs. 355 crore** in the corresponding previous period. The **capital invested till date** in this business, is **Rs. 2,808 crore (US\$ 585 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 September 30, 2009 was **Rs 488 crore (US\$ 101 million)** as against Rs. 430 crore in the corresponding previous period, **an increase of 14%**
- The **combined ratio** (without third party motor pool) **improved to 108% from 111%** as on March 31, 2009. Combined ratio is the sum of claims, commissions and management expenses
- The business achieved a profit before tax of **Rs. 0.1 crore (US\$ 0.02 million)** for the quarter ended September 3, 2009 as against Rs. 6 crore for the corresponding previous period
- RGI had a **distribution network of 200 branches** and over **5,100** intermediaries, at the end of September 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 September 30, 2009, **the loan book** size remained steady at **Rs. 8,290 crore (US \$ 2 billion)**. This loan book is spread across **1,13,209** 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 September 30, 2009 were **Rs. 1,368 crore (US\$ 282 million)** as against Rs. 1,928 crore for corresponding previous period
- RCF securitized loans of **Rs. 988 crore (US\$ 204 million)** in the quarter ended September 30, 2009
- RCF generated revenues of **Rs. 344 crore (US\$ 71 million)** for the quarter ended September 30, 2009 as against **Rs. 319 crore** for the corresponding previous period, **an increase of 4%**
- The profit before tax of RCF was **Rs.23 crore (US\$ 5 million)** for the quarter ended September 30, 2009 as against **Rs. 40 crore** for the corresponding previous period. This was

largely due to increase in provisions made for the old loan book of unsecured loans – no fresh disbursements have been made in this segment since past 18 months effective April 1, 2008

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 a pan India presence with **6,233 outlets**
- Reliance Money maintained **revenues of Rs. 61 crore (US\$ 13 million)** for the quarter ended September 30, 2009 as against Rs. 68 crore for the quarter ended June 30, 2009
- The business achieved a profit before tax of **Rs.4 crore (US\$ 1 million)** for the quarter ended September 30, 2009, as against Rs. 10 crore for the quarter ended June 30, 2009

Update on other businesses

- **Reliance Asset Reconstruction** which is in the business of acquiring, managing and resolving distressed assets, has an asset base of over Rs. 22 crore (US\$ 4.7 million)
- **Reliance Exchange Next** is a new initiative of Reliance Capital in the exchange space by setting up modern exchanges, in various segments. Reliance Exchange Next commenced operations by launching Reliance Spot Exchange (RSX) in the month of October 2009. The first contract on the e-auction platform was for metals. RSX also plans to add e-auction in agri products.

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.1,25,000 crore (US\$ 27 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.8,500 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.