



## **MEDIA RELEASE**

**NIPPON LIFE INCREASES STAKE IN RELIANCE LIFE INSURANCE  
FROM EXISTING 26 PER CENT TO 49 PER CENT**

**NIPPON LIFE TO INVEST RS 2,265 CRORE (US\$ 348 MILLION)  
FOR ADDITIONAL 23 PER CENT STAKE TO REACH 49 PER CENT**

**TRANSACTION PEGS VALUATION OF RELIANCE LIFE INSURANCE  
AT APPROX RS 10,000 CRORE (US\$ 1.5 BILLION)**

**NIPPON LIFE'S INVESTMENT REPRESENTS IMPLIED EMBEDDED VALUE  
MULTIPLE OF OVER 3 TIMES, THE HIGHEST IN THE INDUSTRY TILL DATE**

**PROPOSED STAKE INCREASE APPROVED BY BOARDS OF BOTH COMPANIES**

**RELIANCE LIFE INSURANCE TO BE RENAMED  
RELIANCE NIPPON LIFE INSURANCE COMPANY LIMITED POST INCREASE IN STAKE**

**NIPPON LIFE'S INVESTMENT REPRESENTS LARGEST FDI  
IN INDIAN INSURANCE SECTOR TILL DATE**

**NIPPON LIFE WILL HAVE INVESTED A TOTAL OF RS 8,630 CRORE (US\$ 1.3 BILLION)  
FOR ACQUIRING 49% STAKE EACH IN RELIANCE CAPITAL ASSET MANAGEMENT  
AND RELIANCE LIFE INSURANCE WITH THIS TRANSACTION**

**NIPPON LIFE INSURANCE IS ONE OF THE LARGEST LIFE INSURERS IN THE WORLD  
AND MANAGES ASSETS OF OVER US\$ 520 BILLION (OVER RS 33 LAKH CRORE)**

**November 24, 2015, Mumbai/Tokyo:** Nippon Life Insurance (NLI), a Fortune 500 company and one of the largest life insurers in the world, today signed definitive agreements to increase its stake in Reliance Life Insurance (RLIC), a part of Reliance Capital Ltd. from the existing 26 per cent to 49 per cent.

**"We are delighted that the outstanding relationship between our two companies has now grown into an equal partnership, with NLI 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, and we believe Nippon Life's experience of over 125 years will accelerate our growth in this space,"** said Mr. Anil D. Ambani, Chairman, Reliance Group.



**“Ever since our initial investment in 2011, we have developed a mutual understanding and built more than just a financial partnership but an interactive relationship based on solid trust. This additional investment represents not only the past efforts and initiatives, but also the good relationship between both companies going forward, and we are pleased to be able to further strengthen this partnership in various fields. We believe our past and future ties will become a great role model for India - Japan business partnerships”, said Mr. Yoshinobu Tsutsui, President, Nippon Life Insurance.**

The Boards of Directors of both the companies - Nippon Life Insurance and Reliance Capital - have approved the increase in stake by the Japanese partner, subject to regulatory approvals.

The Japanese company will be investing an aggregate value of Rs 2,265 crore (US\$ 348 million) to acquire an additional 23 per cent stake in Reliance Life Insurance to reach a 49 per cent stake.

**The transaction pegs Reliance Life Insurance’s valuation at approx. Rs 10,000 crore (US\$ 1.5 billion), amongst the highest valuations for any Life Insurance company in the country.**

**Nippon Life Insurance’s investment also represents an implied Embedded Value (EV) multiple of over 3 times for Reliance Life Insurance, the highest for any private insurer in India till date.**

**Nippon Life Insurance would have invested an aggregate of Rs 5,327 crore (US\$ 819 million) for acquiring 49 per cent take in Reliance Life Insurance with this transaction. NLI has also committed an investment of Rs 3,303 crore (US\$ 508 million) for acquiring 49 per cent stake in Reliance Capital Asset Management, thereby taking its total investment to Rs. 8,630 crore (US\$ 1.3 billion), the largest FDI in the financial services sector.**

**In line with the new shareholding structure, the name of the company will also be changed to Reliance Nippon Life Insurance Company Limited.**

Reliance Life Insurance is amongst the leading private sector life insurance companies in India, in terms of new business premium. The company recorded a New Business Premium of Rs. 601 crore (US\$ 92 million), Renewal Premium of Rs. 673 crore (US\$ 104 million), Total Premium (net of reinsurance) of Rs. 1,263 crore (US\$ 194 million) and total funds under management of Rs 15,524 crore (US\$ 2.4 billion) for the quarter ended September 30, 2015.



Nippon Life Insurance is an over 125 years old insurer and a Global Fortune 500 company that manages over US\$ 520 billion (Rs 33.8 Lakh crore) in assets- amongst the largest total assets in the world for any life insurer. The company is one of the largest life insurer in the world.

This transaction is expected to be completed within the current financial year, subject to receipt of regulatory approvals.

### **About Nippon Life Insurance**

[www.nissay.co.jp](http://www.nissay.co.jp)

Nippon Life Insurance, also called Nissay, is one of Japan's leading private life insurer with approx. revenues of Rs 4,00,810 crore (US\$ 61 billion) and profits of over Rs 16,200 crore (US\$ 2.5 billion).

The company, which has over 10 million policies in Japan, offers a wide range of products, including individual and group life and annuity policies through various distribution channels and mainly uses a face-to-face sales channel for its traditional insurance products. Company primarily operates in Japan, North America, Europe and Asia and is headquartered in Osaka, Japan.

### **About Reliance Life Insurance Company**

[www.reliancelife.com](http://www.reliancelife.com)

Reliance Life Insurance (RLI) is amongst the leading private sector life insurance companies in terms of new business premium with a market share of 6% of the private sector life insurance industry (as on March 31, 2015)

The company registered New Business Premium of Rs. 2,070 crore (US\$ 339 million), Renewal Premium of Rs. 2,551 crore (US\$ 418 million), Total Premium (net of reinsurance) of Rs. 4,592 crore (US\$ 752 million), NBAP margin of 27.7%, and profit of Rs. 135 crore (US\$ 22 million) for the financial year ended March 31, 2015.

Reliance Life Insurance manages has total funds under management of Rs. 16,927 crore (US\$ 2.7 billion) and has a strong distribution network with over 900 offices across the country.

 [www.twitter.com/rel\\_life](https://www.twitter.com/rel_life)

 [www.facebook.com/RelianceLifeInsurance](https://www.facebook.com/RelianceLifeInsurance)



## **About Reliance Capital**

[www.reliancecapital.co.in](http://www.reliancecapital.co.in)

Reliance Capital, a part of the Anil Ambani led Reliance Group, is one of India's leading private sector financial services companies. It ranks amongst the top private sector financial services and banking groups, in terms of net worth. The Company is a constituent of CNX Nifty Junior and MSCI Global Small Cap Index.

Reliance Group is amongst India's leading business houses with over 250 million customers. The Group has a strong presence across a wide array of high growth consumer-facing businesses of financial services, telecom, energy, power, infrastructure and defence.

Reliance Capital has interests in asset management and mutual funds; life and general insurance; commercial and home finance; stock broking; wealth management services; distribution of financial products; asset reconstruction; proprietary investments and other activities in financial services.



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[www.facebook.com/RelianceCapital](https://www.facebook.com/RelianceCapital)

## **For Media Queries**

### **Nippon Life Insurance**

Hiroyuki Matsumoto,

Deputy General Manager, Public & Investors Relations Dept.

P: +81-355331032

E:matsumoto32646@nissay.co.jp

### **Reliance Capital**

Sharad Goel,

Chief Communications Officer

P: +91-9324984296

Email: sharad.goel@relianceada.com

November 24, 2015  
Nippon Life Insurance Company

**Nippon Life to Increase Shareholding in Reliance Life**  
**Name to Change to “Reliance Nippon Life Insurance Company Limited”**

Nippon Life Insurance Company (President: Yoshinobu Tsutsui; hereinafter “Nippon Life”) today announced that it has reached a definitive agreement with Reliance Capital Limited (a member of the Reliance Group) for increasing its ownership in Reliance Life Insurance Company Limited (Chief Executive Officer: Anup Rau; head office: Mumbai; hereinafter “Reliance Life”), a part of Reliance Capital Limited, from 26% to 49%.

Ever since Nippon Life’s initial investment (26%) in October 2011, Nippon Life and Reliance Life have developed a mutual understanding by exchanging human resources. In addition, Nippon Life has further strengthened Reliance Life’s customer centric initiatives and sales processes by dispatching one of its directors (part-time), and the companies have established a strong partnership through enhancing customer services, exchanging information and providing business know-how towards enriching sales capabilities.

As an example, Reliance Life launched the “Face-to-Face” sales representative system (introduced partial fixed salary system) in November 2012, adapting Nippon Life’s traditional distribution channel model towards appealing to customer needs before policy enrollment and providing full post-sales services afterwards. The channel supplements the existing agency channel (performance-linked fee system), and presently, Reliance Life has 67 sales offices all over India, and approximately 1,400 sales representatives conducting face-to-face sales.

Nippon Life, post Indian Government’s policy to allow 49% foreign equity ownership in Life Insurance ventures in March 2015, began discussions with Reliance Capital Limited to increase its ownership in Reliance Life to 49% with an aim to further develop and expand our collaborations between the two companies. Today, Nippon Life and Reliance Capital Limited concluded an agreement for Nippon Life to purchase an additional stake of 23% in Reliance Life for approximately INR 22.7 billion, or JPY 42.1 billion.

To reflect this strengthened capital relationship, Reliance Life will be renamed **“Reliance Nippon Life Insurance Company Limited”**. Nippon Life will also increase the number of appointment of directors on the board of Reliance Life, in line with the new shareholding as equal partners, thus reinforcing the agreed initiatives between the two companies. Nippon Life believes these efforts will increase its profitability over the medium to long term, and thus, contribute to expanded policyholder interest in it as a mutual company.

With this additional investment, the cumulative total investment in Reliance Life and Reliance Capital Asset Management Limited is approximately JPY 150 billion, the largest Japanese direct investment in India. Looking forward, the Reliance Group and the Nippon Life Group expect their collaboration to continue serving as a good business model for Japan-India business partnerships.

(Appendix)

<Overview of Reliance Nippon Life Insurance Company Limited (new proposed company name)>

Company name	Reliance Nippon Life Insurance Company Limited (new proposed company name)
Establishment	AMP Sanmar was established in May 2001 and was acquired by the Reliance Group in October 2005. The name of the company was changed to Reliance Life Insurance in January 2006.
Nature of business	Life insurance
Head office	Mumbai, Maharashtra, Republic of India
Representative	CEO: Anup Rau
Number of employees	12,580
Number of branch offices	898
Business performance for the year 2014-15	Premium income (net): INR 45.92 billion (approximately JPY 89.1 billion) New business premium: INR 20.7 billion (approximately JPY 40.1 billion) Net profit: INR 1.35 billion (approximately JPY 2.6 billion)
Market position	Among the top six private life insurers in India 5.9% of the market share in terms of new business premium (market share among 23 private life insurers)

(Data: as of March 31, 2015; exchange rate: INR 1 = JPY 1.93)

<Overview of Reliance Capital Limited>

Company name	Reliance Capital Limited
Nature of business	Financial services (listed company)
Head office	Mumbai, Maharashtra, Republic of India
Representative	Chairman: Anil Dhirubhai Ambani Executive Director and Group CEO: Sam Ghosh
Major shareholders	Reliance Group 52.64%, other general shareholders 47.36%
Major subsidiaries and associates	<b>Reliance Nippon Life Insurance Company Limited (life insurance),</b> <b>Reliance Nippon Life Asset Management Limited (asset management),</b> Reliance General Insurance Co. Ltd. (property and casualty insurance), Reliance Securities Limited (securities brokerage), etc.

\*Reliance Nippon Life Insurance Company Limited (new proposed company name) and Reliance Nippon Life Asset Management Limited (new proposed company name) are capital alliance partners of Nippon Life

(Data: as of March 31, 2015)