

## PRESS RELEASE

### **Religare Enterprises Limited reports 42% YoY increase in Total Income at Rs 4,476 million for Q1 FY 2011**

***Board approves raising additional funds upto Rs 20 billion through issue of capital***

#### **Financial review for the first quarter FY 2011**

- **REL's total income saw a 42% growth YoY and a decline of 16% QoQ**
  - Lending business and Retail Broking were the key growth drivers
  - Insurance business was impacted by seasonality, with Q1 traditionally being a subdued quarter
  - Total Expenses rose by 45% YoY and on QoQ basis fell by 11%
  - Increase of 59% YoY in personnel expenses due to investment made in building the International business
  - Operating and admin expenses increased by 37% YoY
- YoY EBITDA is up 36% although EBITDA declined by 25% QoQ,
- PAT Loss of INR 494 million in Q1 FY11
  - Interest and Finance charges rose by 204% YoY and 42% QoQ
  - Includes Tax provision of Rs. 245 million in spite of consolidated loss because REL's businesses are structured as separate legal entities

**New Delhi, 30<sup>th</sup> July 2010:** Religare Enterprises Limited (REL), a global financial services group, today announced its first quarter results for FY11. The company reported a total Income of Rs 4,476 million for Q1 FY 2011, an increase of 42% YoY. The Board of Directors also approved raising additional funds upto Rs 20 billion through issue of capital.

**Mr. Sunil Godhwani, Chairman and Managing Director, Religare Enterprises Limited commented,** "Our vision is to be a leader in the global financial services space from the Emerging Markets. In India, we continue to grow and expand our diversified businesses while globally, we will continue to invest in and focus on ramping up our investment banking and asset management businesses. We moved to the next step of the restructuring of the Religare Enterprises Limited Board that started earlier this financial year, with the induction of Stuart D Pearce and Kathryn

Matthews. Our plans to continue to build a global business of scale will surely get an impetus with the rich and relevant experience they both bring to the table having worked in global leadership roles in mature markets like the US and Europe.”

**Mr. Shachindra Nath, Group CEO, Religare Enterprises Limited said,** “Our results for Q1 FY11 are a reflection of our decision to build on our international business. The investments we are making in hiring some of the best brains of the industry from across the globe in our emerging lines of business will show great results in the future. Apart from further consolidating our leadership position in India, we are investing heavily in growing, both organically and inorganically, into an integrated global financial firm with a focus on investment banking and asset management. We have recently announced the acquisition, subject to regulatory approval, of Aviate Global (Asia) a unique, ideas-driven Asia equities franchise, headquartered in Hong Kong. We firmly believe that to achieve our goals, it is imperative that we put in place the right people and systems, backed by robust processes.”

### **Segment wise Highlights**

#### **Equity Broking: Improved market share in contracting cash equity market**

- Equity Broking market share for Q1 FY11 increased to 3.47% in comparison to 3.41% in Q4 FY10
- Average daily equity broking turnover stood at Rs 37.67 billion in Q1 FY11 in comparison to Rs 32.91 billion in Q4 FY10

#### **Asset Finance: Rapidly growing Loan Book & Pan India Third Party Distribution**

- Asset Finance book size stood at Rs 25,795 mn as on June 30,2010, 46 % higher as compared to Rs 17,661 mn as on March 31,2010
- Acquired part of Citigroup India's home loan portfolio, book size of Rs 4,689 mn, after completion of the quarter. This will accelerate growth of our asset finance book

#### **Asset Management: Operating in a challenging environment**

- Overall industry witnessed a sharp contraction in AUM in June because of bank redemptions for 3G license fee payments, with AUM declining by 10% from March 2010 to June 2010
- Average total AUM for Religare Mutual Fund in June 2010 stood at approx. Rs 109.1 billion in comparison to Rs 129.45 billion for March 2010, a decline of 16%
- Steep and abrupt shift in yield curve impacted portfolio valuations leading to mark-to-market losses for Religare and the rest of the industry

- Religare AMC is ranked 14 out of 39 players at present in terms of AUM

### **Wealth Management: Active Wealth Management**

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- Total Assets under Management for Religare Macquarie Wealth Management business stood at circa Rs 11.12\*\* billion as on June 30, 2010 as compared to Rs 8.01\*\* billion on March 31, 2010
- 510 new client accounts opened in the last quarter and total number of clients as on June 30, 2010 stood at 3,161
- Hiring new Relationship Managers (RMs), in line with our intent to build a top-notch team. Number of RMs increased from 154 as on March 31, 2010 to 193 as on June 30, 2010

*\*\* excluding group business*

### **Life Insurance**

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- New Business Premium for Q1 FY 11 was Rs. 341 million as compared to Rs. 759 million and Rs. 116 million in Q4 FY 10 and Q1 FY10 respectively
- Setting up of new branches and expanding distribution to maintain growth in number of policies issued

### **Health Insurance**

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- Religare Health Insurance Limited has filed an application with the Insurance Regulatory and Development Authority (IRDA) for its R1 license

### **Religare adds more muscle to its Board**

**Religare Board strengthened** with the induction of Mr. Stuart D Pearce and Ms. Kathryn Matthews. Their rich experience will provide a fillip to our efforts towards becoming a leading global financial services player from the emerging markets

#### **Mr. Stuart D Pearce**

- Mr. Pearce has over thirty five years of experience in the financial services domain and last served as CEO and Director General of the Qatar Financial Centre Authority, where he worked for over five years
- Mr. Pearce commenced his career in 1975 holding various positions in Treasury and Commercial Banking. He joined HSBC in 1990 as a Group Representative in Sweden. In over fifteen years at HSBC, Stuart held several management positions across important markets such as

Switzerland, Japan and the UK. Stuart then completed a five year stint as the CEO - Investment Management, HSBC UK

### **Ms. Kathryn Matthews**

- Ms. Matthews has over three decades of experience in the international financial services business.
- Ms. Matthews started her career at Baring Asset Management, where she spent nearly 17 years. Thereafter, she set up the global asset management business for Santander based in Boston. She has also worked in global asset management firms such as AXA Investment Managers and William M. Mercer.
- In 2003, Kathryn joined Fidelity as Head of Global Equities and Portfolio Strategies Group. She subsequently moved to Asia as Chief Investment Officer for Fidelity in the region.

### **Key appointments made in Religare Capital Markets**

- **Mr. Tarun Kataria: CEO-India, RCML**
  - Mr. Tarun Kataria has spent over twenty years in Investment Banking, most recently as MD, Global Banking & Markets, HSBC India, where he was responsible for the Global Markets, Corporate and Institutional Banking, Investment Banking Advisory, ECM and Private Equity businesses. He joined HSBC in 1998 in Singapore and in 2003 moved to Hong Kong as Managing Director and Head of Institutional Sales for Asia Pacific
- **Mr. Robert Munro: Global COO, RCML**
  - Mr. Robert Munro was Managing Director and European Head of Prime Brokerage at UBS before taking up the position of Global COO at Religare
  - Rob started his banking career at Goldman Sachs in London in Securities Lending before moving to Hong Kong in 1994 to head that product for Asia (ex-Japan). He returned to London where he became European Head of Prime Brokerage and was promoted to Managing Director
- **Mr. Jeffrey Wong: COO-Investment Banking**

- Mr. Jeffrey Wong joins Religare from UBS in Singapore, where he was the Executive Director covering South-East Asian ECM. Jeffrey was with UBS since 2004 as in-house legal counsel, then moved to a client-facing role in 2009 as Executive Director, South-East Asia ECM. Jeffrey has previously worked with Allen & Gledhill.
- Religare Capital Markets announced the acquisition of the investment banking firm Central Joint Enterprises (CJE), subject to regulatory approval

#### **Acquisition of Aviate Global (Asia)**

- Announced the acquisition of Central Joint Enterprises, which trades as Aviate Global (Asia) and has a top-notch team of 30 professionals led by Credit Suisse veteran Jonty Edgar.
- Aviate Global (Asia) is headquartered in Hong Kong and has offices in Singapore and Melbourne.

#### **About Religare Enterprises Limited (Religare) –<http://www.religare.in>**

Religare is a global financial services group with a presence across Asia, Africa, Middle East, Europe and the Americas. In India, Religare's largest market, the group offers a wide array of products and services ranging from insurance, asset management, broking and lending solutions to investment banking and wealth management. The group has also pioneered the concept of investments in alternative asset classes such as arts and films. With over 10,000 employees across multiple geographies, Religare serves over a million clients, including corporates and institutions, high net worth families and individuals, and retail investors

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