

Creating India's leading financial superstore

January 2009

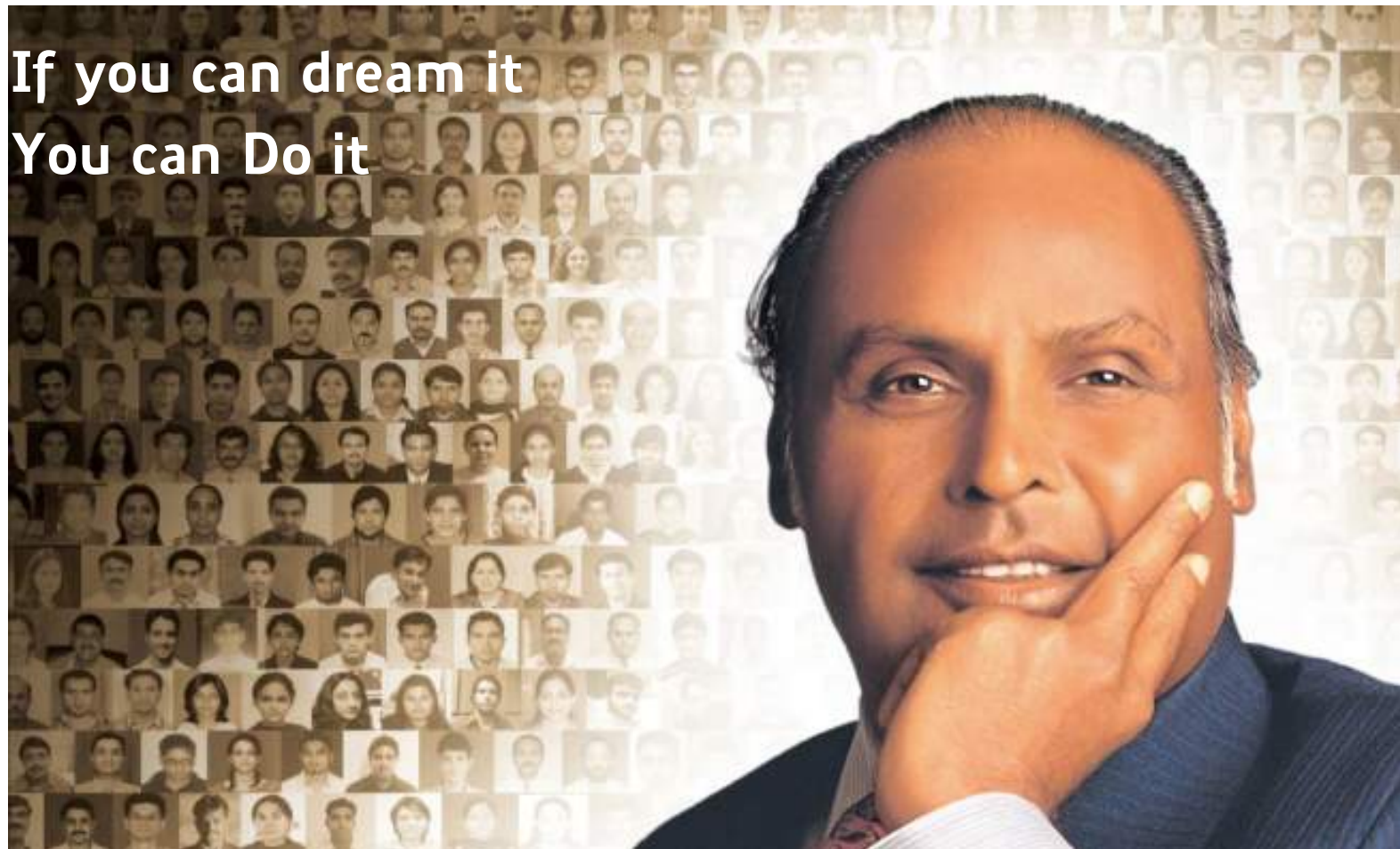
Forward looking statements – Important Note

This presentation and the discussion that follows may contain “forward looking statements” by Reliance Capital Limited (“RCL”) that are not historical in nature. These forward looking statements, which may include statements relating to future results of operation, financial condition, business prospects, plans and objectives, are based on the current beliefs, assumptions, expectations, estimates, and projections of the directors and management of RCL about the business, industry and markets in which RCL operates. These statements are not guarantees of future performance, and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond RCL’s control and difficult to predict, that could cause actual results, performance or achievements to differ materially from those in the forward looking statements. Such statements are not, and should not be construed, as a representation as to future performance or achievements of RCL. In particular, such statements should not be regarded as a projection of future performance of RCL. It should be noted that the actual performance or achievements of RCL may vary significantly from such statements.

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- ❑ Reliance Capital
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The vision of one man



Our legendary founder
Sh. Dhirubhai Hirachand Ambani
28th December 1932 - Forever

Reliance Anil Dhirubhai Ambani Group

- ❑ Over 150 million customers – 1 in every 8 Indians
- ❑ 12 million shareowners – amongst largest in the world
- ❑ 130,000 young, trained and motivated people
- ❑ Group net worth of over US\$ 12 billion
- ❑ Group market capitalization of over US\$ 24 billion
- ❑ Flagship stocks included in Sensex, Nifty, MSCI and Futures & Options

Reliance ADA Group

Communications

Financial Services

Power

Infrastructure

Media &
Entertainment

Natural resources
& Energy

Diversified

Among India's top 4 business groups

Right mix for growth

Robust GDP growth : amongst fastest growing

Increasing per capita income : FY09E US\$ 1,050

Rising savings rate : >30%

Young population : Median age 25 years

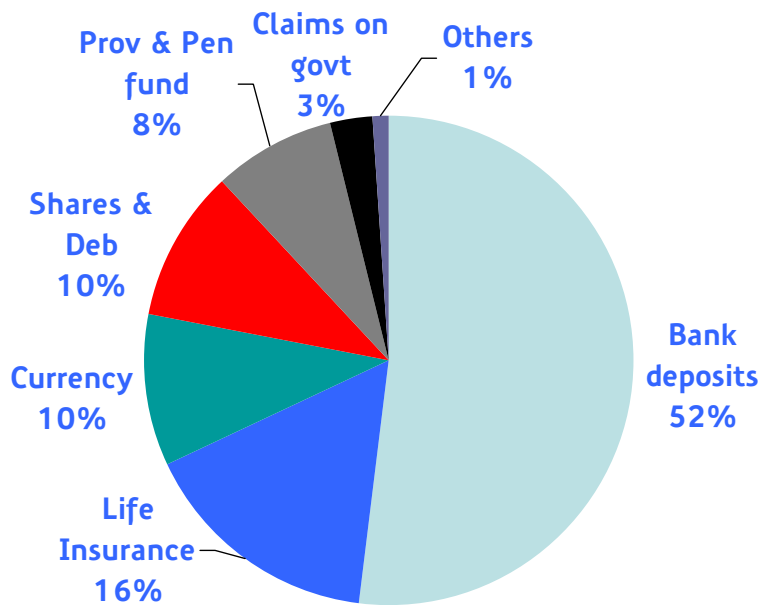
Low penetration : 55% savings in bank deposits

**Demand for financial
products & services**

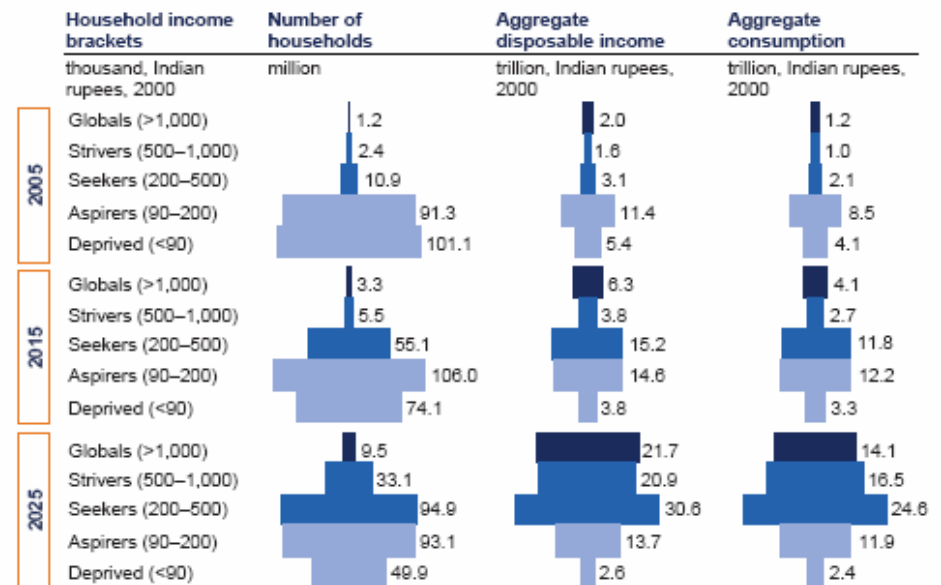
Financial services market set to grow exponentially

Rising financial savings...

India: Financial savings 2008



India: Rising middle class

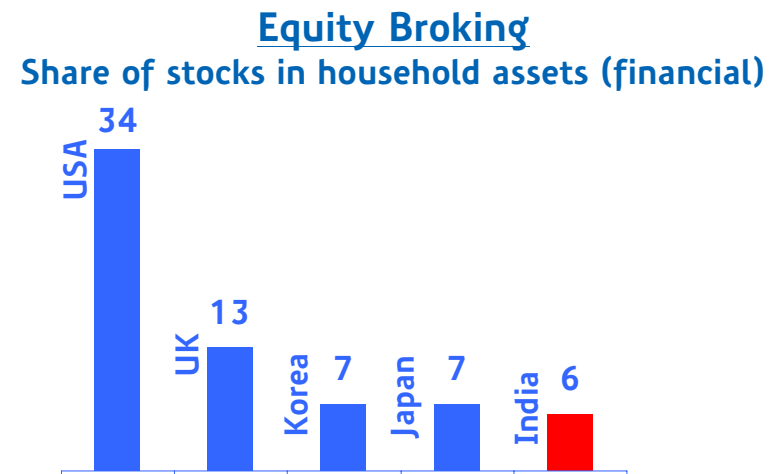
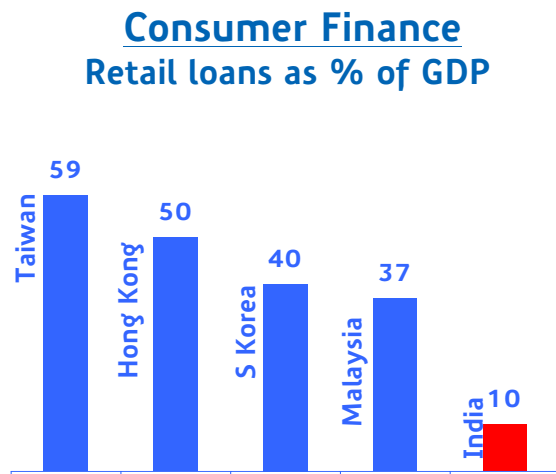
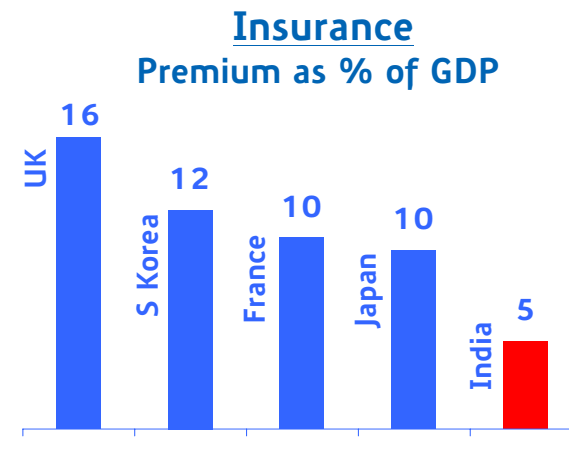
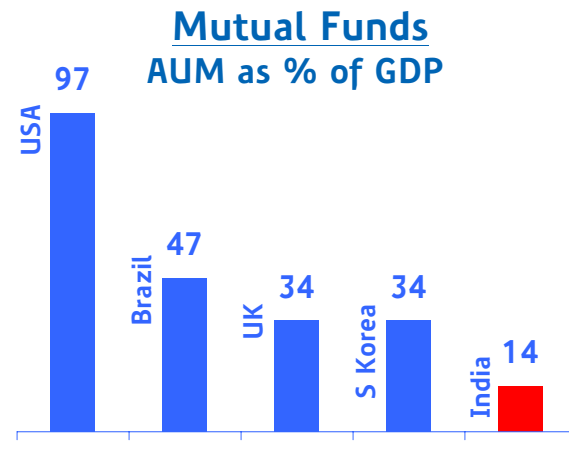


Source: MGI India Consumer Demand Model, v1.0

...creating significant opportunities for financial sector companies

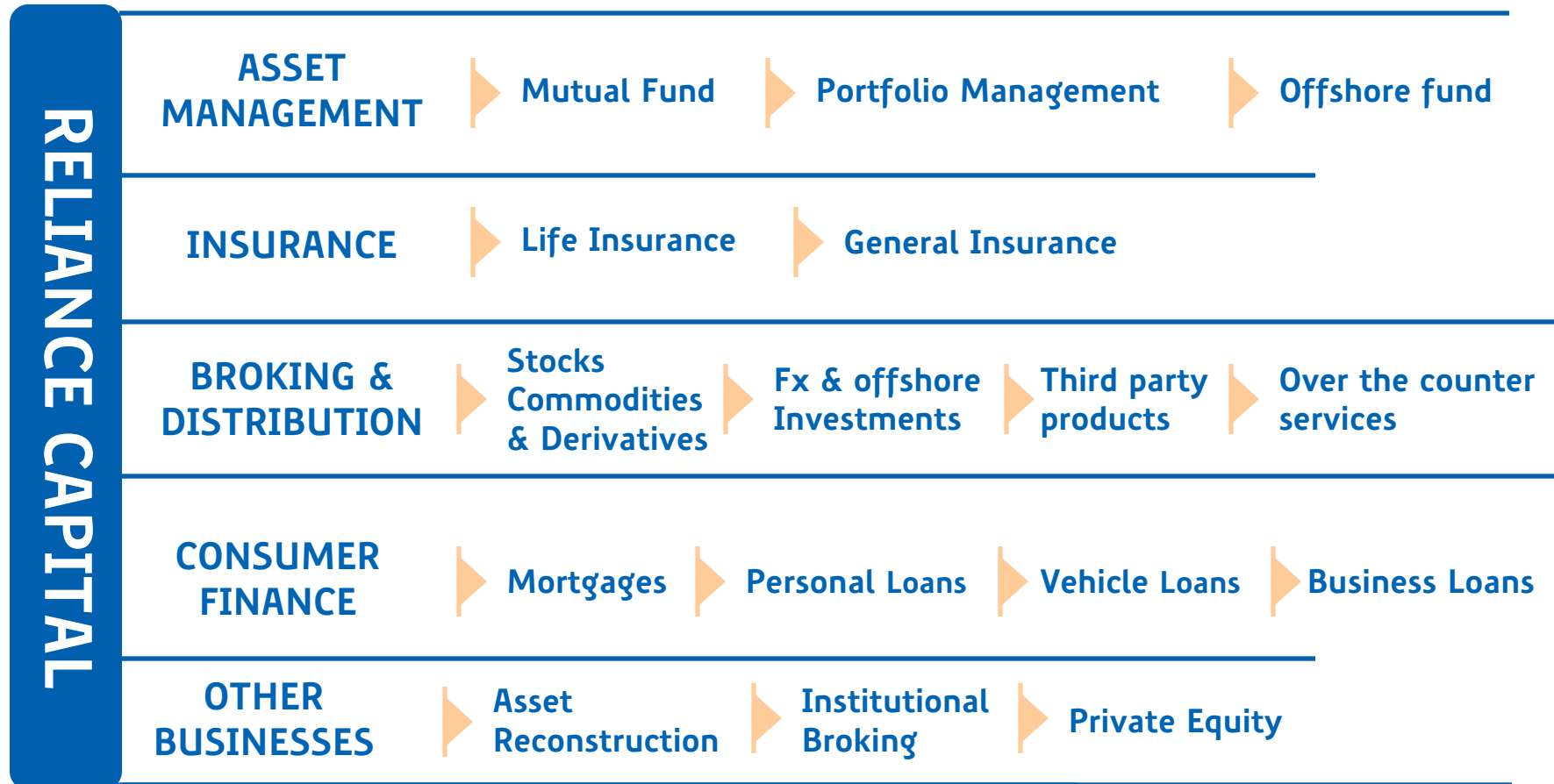
Source: RBI, Morgan Stanley Research

Low penetration of non banking financial services



Low penetration offers tremendous growth opportunity

Business mix



Creating India's leading financial superstore

RELIANCE Mutual Fund

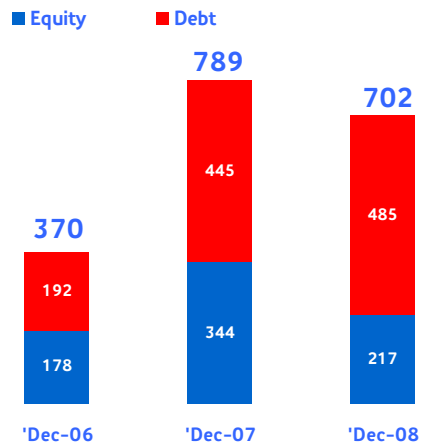
India's No.1 Mutual fund

- ❑ India's largest mutual fund with market share of 17%
- ❑ Largest mutual fund customer base – 7.1 million customers
- ❑ Wide presence – 415 locations in India, offices in Dubai, Singapore, Mauritius, Malaysia and UK
- ❑ 'Fund House of the Year' – Asian Asset Management
- ❑ 'India's Most Trusted Mutual Fund' – three years in a row, by Economic Times- AC Nielsen ORG MARG survey
- ❑ 38 schemes – 16 equity oriented schemes, 20 debt oriented schemes & 2 ETFs

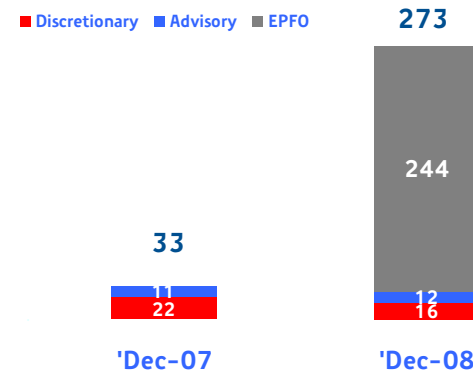
India's #1 Mutual Fund

Reliance Capital Asset Management

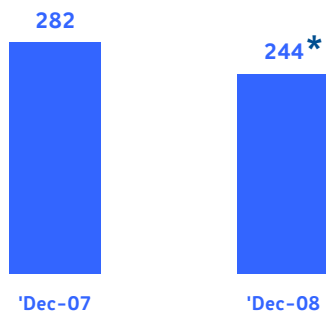
Mutual Fund (AUM in Rs bn)



Portfolio Management Services (AUM in Rs bn)

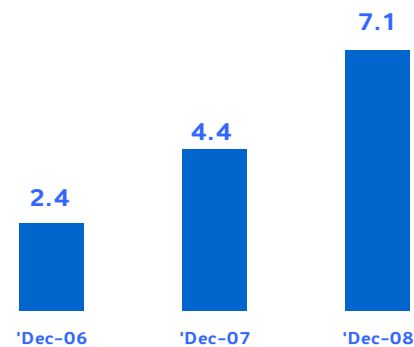


Offshore funds (in mln)



* Includes un-drawn amount of US\$ 92 million

No. of investors (in mln)



Well diversified asset management business

RCAM (consolidated) financial performance

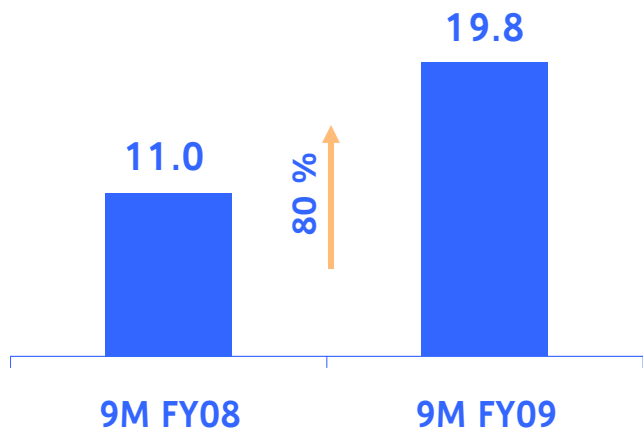
(Rs. Million)

	Q3FY09	Q3FY08	9MFY09	9MFY08	FY08
Income	915.4	1,231.3	3,352.1	2,697.9	4,741.3
Personnel costs	256.3	293.9	877.4	583.2	872.7
Marketing expenses	115.7	488.1	527.3	778.9	1,059.6
Administration & other expenses	204.4	167.2	671.2	485.3	754.7
Profit before tax	339.0	282.1	1,276.2	850.5	2,054.3
Profit after tax	256.8	188.9	920.1	564.4	1,496.9

Growth in 9M Net Profit (YoY) – 63%

RELIANCE Life Insurance

Annualized Premium
Equivalent - (Rs. billion)



- ❑ Only 100% Indian owned life insurance company
- ❑ Among India's fastest growing life insurers
- ❑ Among top 4 private sector players in terms of new business premium & top 3 in terms of number of policies
- ❑ Only life insurance player in India to be certified with ISO 2000 9001 for all its processes
- ❑ First life insurance company to introduce 'OTC' process

Distribution network – 1,145 branches; 142,843 agents

RELIANCE Life Insurance

Financial performance

(Rs. Million)

	Q3FY09	Q3FY08	9MFY09	9MFY08	FY08
First year premium	7,565.7	5,798.3	19,459.5	10,644.9	18,439.8
Single premium	732.6	1,556.7	3,569.9	3,249.7	9,070.8
Total New business premium	8,298.2	7,355.0	23,029.4	13,894.6	27,510.6
Total premium	11,498.2	8,674.4	30,827.6	16,508.6	32,132.7
APE*	7,638.9	5,954.0	19,816.5	10,969.9	19,346.9
No of policies issued	600,970	295,913	1,354,834	573,424	1,073,715
Avg premium/ policy (Rs)	13,552.4	22,187.6	16,267.2	20,904.7	21,800.6
Avg tenure of policy issued (in no. of years)	14.2	9.4	13.2	9.1	10.1
Total funds under management	49,361.1	30,504.4	49,361.1	30,504.4	37,767.5

Capital infusion in Q3 FY09 – Rs. 3.3 billion, till date: Rs. 25.3 billion

* Calculation of APE:

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

RELIANCE Life Insurance

New business achieved profit

Definition

NBAP is defined as present value of future profits for shareholders on account of business sales, based on a given set of assumptions

Actual experience may differ from these assumptions especially in respect of expense over runs in initial years

Basis of preparation

The NBAP is calculated net of tax after providing for cost of capital that would be required to support business. Cost of capital is taken as difference between nominal value for solvency capital and present value, at discount rate, of future release of capital together with investment earning on solvency capital

NBAP incorporates best estimate assumptions of future rates of investment returns, policy discontinuances, mortality, expenses, inflation, taxation, bonus rates and statutory valuation bases

RELIANCE Life Insurance

New business achieved profit

Economic assumptions

Particulars	Assumptions
Cash, Money market & TB	5.0%
Medium/ Long term G-Secs	7.5%
Corporate Bonds	8.5%
Equities	12.0%
Inflation	5.50%
Risk discount rate	12.5%
Tax rate	14.2%

Sensitivity

Particulars	Base value	<i>(Rs. million)</i>	
		+ 1%	- 1%
Investment income	4,147	4,434	3,876
Risk discount rate	4,147	3,598	4,757

Operating assumptions

- ❑ Operating assumptions like mortality, morbidity & lapses – based industry/ reinsures experience & validated against our own experience so far
- ❑ Expense assumptions – based on our own projection model
- ❑ Taxation at current rate of 12.5% (plus 10% surcharge + 3% education cess) assumed to apply unchanged throughout projection period. Earning rate for each product category would depend on asset mix of funds relating to product

Further considerations

- ❑ Any value addition from riders & term plans have been ignored. Proportion of riders with base policies – not very significant
- ❑ Any value addition from the Group business has been ignored. Proportion of business from this source was 4.3%
- ❑ Comparison with other life companies might not be very relevant as actuarial assumptions & methodology used are likely to vary from company to company, in absence of a common agreed process
- ❑ The economic assumptions used- validated by an external actuary Watson Wyatt

NBAP for 9 months ended Dec 31, 2008 – Rs. 4.1 billion (18.8%)

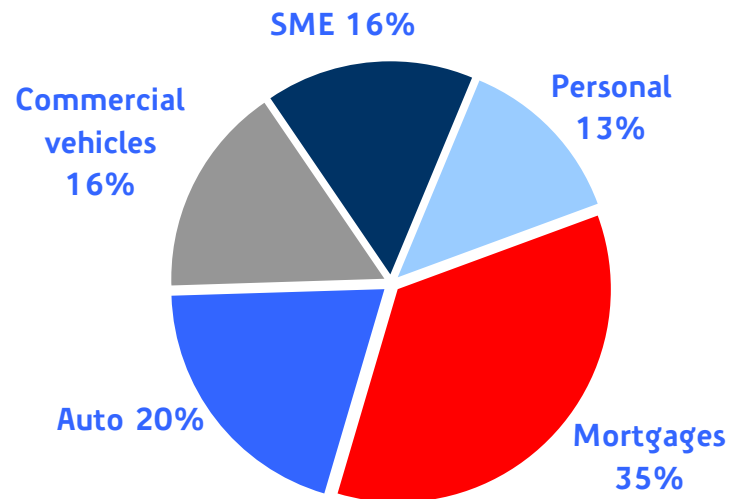
RELIANCE Consumer Finance

Reliance Home Loans



RELIANCE
Consumer Finance
Anil Dhirubhai Ambani Group

Presented by Reliance Capital



- Received approval from RBI & NHB to set up separate subsidiaries for consumer finance and home finance respectively

Brought down loan book from Rs. 95 billion (Sept '08) to Rs. 89 billion (Dec '08)

RELIANCE Consumer Finance

Financial performance

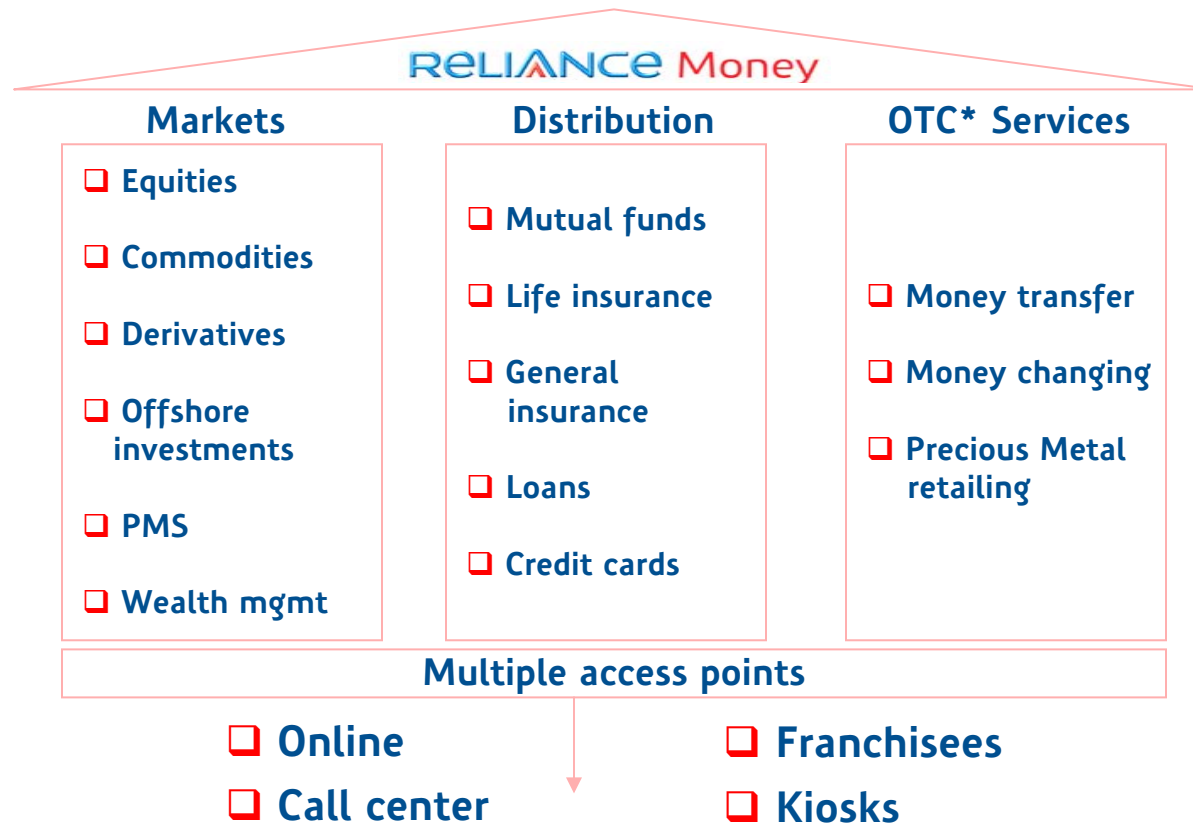
(Rs. Million)

	Q3FY09	Q3FY08	9MFY09	9MFY08	FY08
Interest Income	3,174.7	1,230.2	8,654.3	1,647.5	3,371.3
Other Income	50.1	155.9	378.3	347.6	574.6
Total Income	3,224.8	1,386.1	9,032.7	1,995.1	3,945.8
Personnel costs	180.4	131.7	691.8	254.6	629.3
Interest expenses	1,980.9	637.0	5,053.1	814.8	1,714.3
Other expenses	442.7	349.2	1,426.2	569.1	1,172.1
Provisions	474.9	3.7	964.7	3.7	69.0
Profit before tax	145.9	264.5	896.9	352.9	361.1

High cost of borrowing & risk perception resulted in hold on disbursements – impact on Q3 financials

RELIANCE Money

India's largest broker & distributor of financial products & services



Effective, anytime-anywhere integrated transaction capability

* Over-the-counter

RELIANCE Money

India's largest broker & distributor of financial products & services

- Over 20,000 touch points across India; 10,392 outlets in 5,165 locations
- 2.8 million customers; 991,012 broking accounts
- Daily average turnover on stock exchanges – Rs. 22 billion
- Daily average commodities exchange turnover – Rs. 2.5 billion
- Awarded 'Franchiser of the year' award (service industry) in 6th International Franchise & Retail show 2009
- Runner up of 'Best e- Brokerage' award from Outlook Money- NDTV Profit for 2008

2.8 million customers

RELIANCE Money

Financial performance

(Rs. Million)

	Q3FY09	Q3FY08	9M FY09	9M FY08	FY08
Broking Income	490.7	227.4	1,382.8	431.4	1,112.0
Distribution Income	205.8	176.3	725.6	328.9	1,062.0
Other Income	325.3	236.6	627.0	418.1	211.0
Total Income	1,021.8	640.3	2,735.4	1,178.4	2,385.0
Sub brokerage	102.0	75.7	332.0	146.7	440.0
Personnel costs	287.2	159.1	847.2	421.1	602.0
Other expenses	339.1	357.4	919.1	740.1	1,342.0
Profit before tax	293.5	48.1	637.1	(129.5)	1.0
Profit after tax	219.5	48.1	473.1	(129.5)	1.0

Growth in Q3 FY09 PAT (YoY) – 356%

RELIANCE General Insurance



if you value it, we can insure it.

As the fastest growing private sector general insurance company in India, we understand what your ambitions mean to you and make sure your worries stay out of the way. We offer Motor, Health, Home, Travel and over 80 other insurance products as well as customized plans to suit your needs, whether individual or corporate. Which just goes to say if you value it, we can insure it. We're a subsidiary of Reliance Capital, which is among the top three private sector financial companies and banking groups in terms of net worth.

Our product range includes:

• Standard Fire And Special Perils Policy • Industrial All Risks Policy • Marine Cargo Insurance Policy
• Projects Insurance Policies • Workmen's Compensation Insurance Policy • Machinery Breakdown Insurance Policy and much more

For more information call us on 20202020
or visit www.reliancegeneral.co.in

RELIANCE General Insurance
Anil Dhirubhai Ambani Group

A Reliance Capital Company

Reliance General Insurance Company Limited

- ❑ Offers property insurance, engineering insurance, auto insurance, health insurance, travel insurance, marine insurance, commercial insurance and other specialty products
- ❑ Customer base ranges across sectors – over 3 million retail customers, ports, steel, power plants etc.
- ❑ Only 100% Indian private sector insurance company
- ❑ Strong reinsurance network – GIC, Scor Re, Allianz, Mitsui Sumitomo, Helevtia

Amongst India's top 3 private general insurers

RELIANCE General Insurance

Financial performance

(Rs. Million)

	Q3FY09	Q3FY08	9MFY09	9MFY08	FY08
Gross Written Premium	5,089.6	5,780.3	14,951.9	15,244.7	19,464.2
Net Earned Premium	4,223.1	2,483.1	10,347.3	6,200.4	9,600.3
Underwriting result (accounting)	(285.5)	(651.0)	(564.4)	(1,071.4)	(2,060.8)
Profit before tax	(120.9)	(540.3)	(205.0)	(735.0)	(1,628.4)
Investment book	12,315.4	10,988.9	12,315.4	10,988.9	13,107.3
Networth	5,014.9	3,970.7	5,014.9	3,970.7	4,938.5
Combined ratio (accounting)	114%	131%	112%	123%	129%
No of branches	200	200	200	200	200
No of policies issued (in millions)	0.7	1.1	2.0	2.8	3.7
No of claims handled	133,406	96,711	345,056	241,354	315,900

Improved combined ratio – from 129% to 112%

Sector – wise premium contribution

	9MFY09	9MFY08	FY08
Motor	58%	64%	65%
Health	17%	15%	14%
Fire	7%	7%	7%
Engineering	6%	5%	5%
Others	12%	9%	9%
Total	100%	100%	100%

Balanced & well diversified sector mix

Other businesses

- ❑ **Reliance Asset Reconstruction**
 - acquisition, management and resolution of distressed debt – commenced operations
- ❑ **Reliance Equities International**
 - institutional broking – commenced operations
- ❑ **Reliance Equity Advisors**
 - private equity fund – to commence operations in FY09
- ❑ **Reliance Capital Services**
 - cross sell Reliance Capital products & services to internal customers of Reliance ADA Group – commenced operations

Diversifying our business portfolio

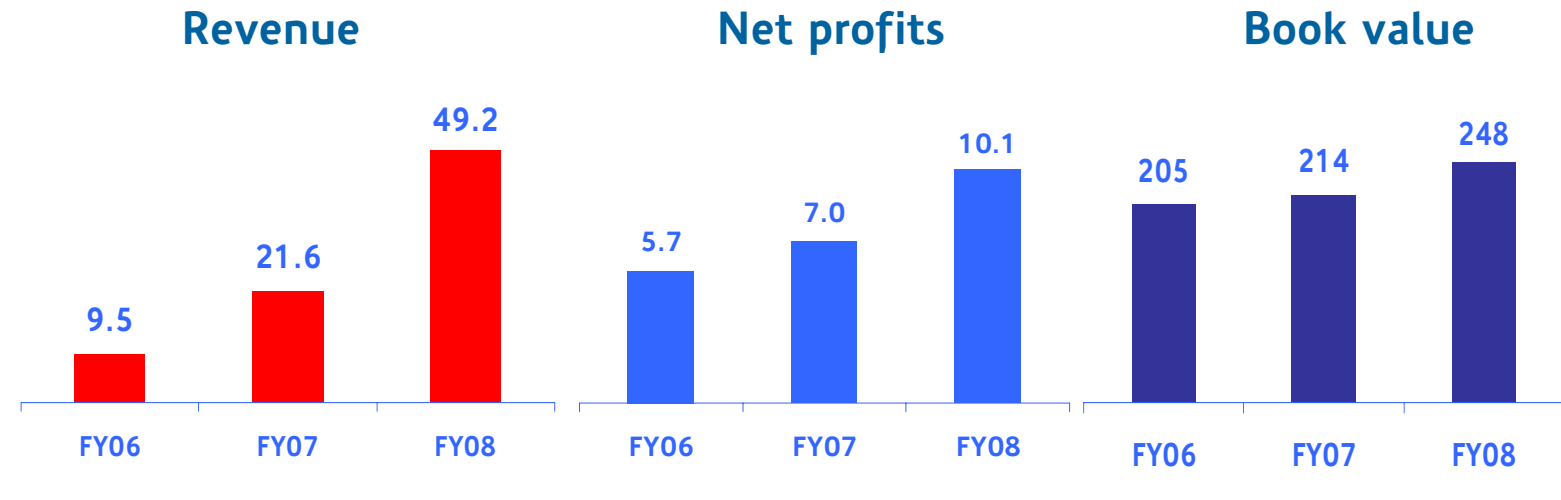
Going global...



Internationalizing our asset management and broking & distribution operations


Financial performance

Revenue, Net profit (Rs. Billion) & Book value (Rs.)

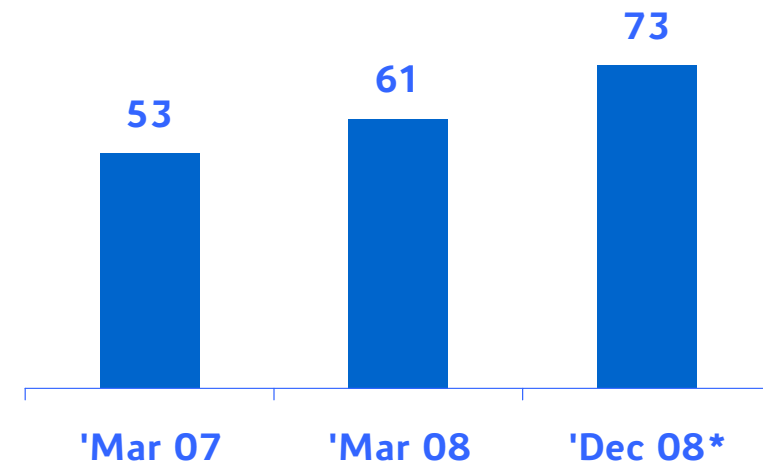


**9M FY09 – Operating Income Rs 44 billion,
Net Profit Rs 7 billion**

Conservative structure

- ❑ Debt-Equity ratio: 1.8
- ❑ **Fitch**India 'F1+' – indicates strongest capacity for timely payment of 'Financial Commitment'
- ❑  **ICRA** 'A1+' – Highest credit rating for short term borrowing program
- ❑ **CARE** 'AAA' – Highest credit rating for long term borrowing program

Networth (Rs. billion)



*- Consolidated

Well capitalized to address growth opportunities

Share summary

Category	Shareholding
Reliance Anil Dhirubhai Ambani group	53.49%
Foreign investors – FIIs, GDRs, NRIs, and others	25.19%
Domestic institutions/ Banks / Mutual funds	3.48%
Indian public	17.84%
Total	100.0%

- Part of Forbes Global 200 (World's largest 2,000 public companies)
- Market cap – US\$ 2.2 billion
- US\$ 1 billion free float
- Foreign ownership of 25%
- Traded in futures & options segment

Constituent of S&P CNX Nifty and MSCI India

Reliance Capital...

- ❑ India's #1 mutual fund
- ❑ Among top 4 private sector life insurers and top 3 private sector general insurers
- ❑ India's largest broker and distributor of financial products
- ❑ Niche consumer finance business
- ❑ Foray into businesses of asset reconstruction (distressed debt), institutional broking & private equity
- ❑ Over 15 million customers
- ❑ Unparalleled distribution network with over 12,000 outlets & in 5,000 towns & cities across India

.....targeting leadership in all its businesses

Thank you

January 2009