



Results for the quarter ended December 31, 2011

Investor Presentation

February 10, 2012

RELIANCE

Agenda

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- ❑ *Financial Performance*
- ❑ *Business Performance*
 - Reliance Capital Asset Management
 - Reliance Life Insurance
 - Reliance Commercial Finance
 - Broking businesses
 - Distribution business - Reliance Money
 - Reliance General Insurance
- ❑ *Shareholding pattern as on December 31, 2011*

Performance Highlights – Consolidated Quarter ended December 31, 2011

- Total Income of Rs. 16 billion (US \$ 311 million), against Rs. 14 billion – increase of 16%, mainly on account of increase in topline of commercial finance and broking & distribution businesses
- Net Profit of Rs. 602 million (US \$ 12 million), against Rs. 1.1 billion – decline of 43%, mainly on account of high interest costs and loss of Rs. 344 million (US\$ 7 million) in general insurance

Performance Highlights – Consolidated Quarter ended December 31, 2011

- From Reliance Life transaction of 26% strategic stake sale Nippon Life, proceeds of over Rs. 27 billion (US\$ 519 million) - used to bring down debt at Reliance Capital
- Net debt to equity at 2.27 v/s 2.57 at end of Q2FY12 – decline of 12%
- Networth of Rs. 79 billion (US\$ 1.5 billion) as on December 31, 2011
- Total assets of Rs. 315 billion (US\$ 6 billion) as on December 31, 2011 – YoY increase of 4%

P&L Highlights (consolidated) – Q3FY12

(Rs. million)

	Q3FY12	Q3FY11	FY11
Total income	15,868	13,689	54,985
Staff costs	1,337	1,215	4,968
Other expenditure	2,853	2,989	12,036
Reinsurance premium ceded	1,842	1,587	6,635
Claims incurred	2,777	2,232	13,314
Interest & financial charges	5,892	4,007	14,620
Depreciation	133	117	500
Profit before tax	1,034	1,543	2,912
Profit after tax	602	1,063	2,912
Diluted EPS (Rs.)	2.5	4.4	11.9

Reliance Capital Asset Management (RCAM)

- Managed Rs. 1.4 trillion (US\$ 27 billion) across:
 - mutual funds – Rs. 823 billion* (US\$ 15 billion)
 - managed accounts – Rs. 12.6 billion (US\$ 236 million)
 - pension funds – Rs. 571 billion (US\$ 11 billion), and
 - hedge funds – Rs. 13 billion (US\$ 246 million)
- Wide distribution network – over 250 branches across India

** - AAUM for the quarter ended December 31, 2011*

RCAM - Achievements

- Nippon Life, largest private life insurer in Asia & Japan, to acquire 26% stake in RCAM, subject to regulatory approvals
 - Largest investment in any Indian AMC till date
 - Largest FDI in Indian MF sector till date
 - Values RCAM at approx Rs. 56 billion (US\$ 1.1 billion) – 7% of AAUM for quarter ended December 31, 2011
 - Nippon to invest Rs. 14.5 billion (US\$ 272 million) for 26%
- Reliance Asset Management Singapore Pte Ltd launched and successfully raised Rs. 5.3 billion (US\$ 100 million) in High Yield Fund, primarily investing in Indian Infrastructure debt securities

- Among top 2 mutual funds in India with market share of over 12%
- Average assets under management at Rs. 823 billion (US\$ 15 billion)
- Nearly 2 million SIP & STP accounts – highest in industry
- Retail Gold Fund crossed Rs. 25 billion (US\$ 476 million)
– QoQ increase of 32% - healthy market share of 30% in Gold Fund category
- 43 schemes – 21 equity, 19 debt, 2 ETFs and 1 Fund of Funds

RCAM (consolidated) financial performance

(Rs. million)

	Q3FY12	Q3FY11	Q2FY12	FY11
Income	1,550	1,853	1,631	7,330
Expenses	849	940	975	4,387
Profit before tax	700	913	656	2,943

- ❑ 16% YoY decrease in total income, due to 19% decline in AAUM
- ❑ 10 % YoY decline in expenses, in line with focus on leaner cost of operations
- ❑ 7% QoQ increase in profit before tax

- ❑ **Amongst leading private sector life insurers – private sector market share of over 5% in terms of new business premium**
- ❑ **Over 5 million policies in force**
- ❑ **Wide distribution network across India with 1,252 offices**
- ❑ **153,467 agents – YoY decline of 29%, in line with focus on productivity and performance of agents**

- ❑ **Total premium (net of reinsurance) at Rs. 12 billion (US\$ 230 million)**
- ❑ **Renewal premium at Rs. 8 billion (US\$ 153 million)**
- ❑ **New business premium at Rs. 4 billion (US\$ 78 million)**
- ❑ **Over 70% of new individual business premium from traditional products**
- ❑ **Profit of Rs. 101 million (US\$ 2 million)**

- ❑ **Operating costs (excluding commission) at Rs. 3.2 billion (US\$ 63 million)**
- ❑ **Total funds under management at Rs. 166 billion (US \$ 3 billion)**
- ❑ **Capital infusion of Rs. 3 billion (US\$ 59 million), post strategic stake sale to Nippon Life**
- ❑ **Total capital infused – Rs. 34 billion (US \$ 637 million)**

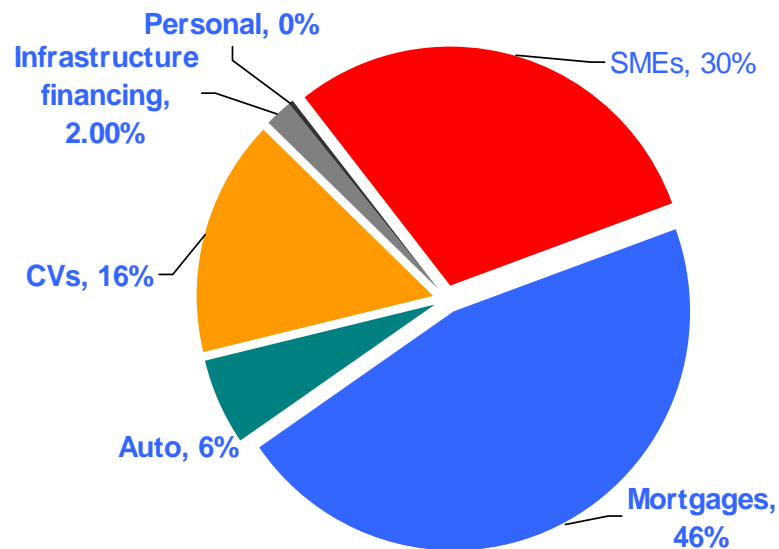
Financial performance

(Rs. million)

	Q3FY12	Q3FY11	Q2FY12	FY11
First year premium	3,125	3,682	3,055	22,846
Single premium	851	2,255	1,090	7,503
Total New business premium	3,976	5,937	4,144	30,349
Renewal Premium	7,804	8,570	8,600	35,362
Total premium (net of reinsurance)	11,732	14,470	12,634	65,479
Profit before tax	101	238	82	(1,293)
Operating costs (excl commission)	3,186	3,120	3,101	15,640
Total funds under management	165,549	173,548	167,474	178,553
Capital infused	3,000	-	-	1,200

- **Amongst leading lenders in Indian non banking finance sector**
- **Focus on secured lending and creating good quality loan portfolio**
- **99% of book secured vs 95% as on December 31, 2010**
- **15% YoY decline in disbursements at Rs. 20 billion (US\$ 391 million)**

Loan Book Composition as on December 31, 2011



- ❑ **AUM – Rs. 153 billion (US\$ 2.9 billion) – 24% YoY growth**
- ❑ **Outstanding loan book at Rs. 142 billion (US\$ 2.7 billion) – YoY increase of 33%**
- ❑ **Securitization of Rs. 1.4 billion (US\$ 27 million); till date – Rs. 2.4 billion (US\$ 47 million)**
- ❑ **100,032 customers across 18 locations in India**

Financial performance

- Total income at Rs. 5 billion (US\$ 97 million) – YoY increase of 43%
- Net Interest Income at Rs. 1.2 billion (US\$ 24 million)
- Profit before tax at Rs. 651 million (US\$ 13 million) – marginal decline of 18%, despite 98% increase in interest costs
- Cost to income ratio at 14% v/s 18% in Q3FY11
- Average NIMs at 4%

Financial performance

- ❑ **Average cost of borrowing at 11.9% as against 8.7% for Q3FY11**
- ❑ **Gross NPLs at Rs. 2.1 billion (US\$ 40 million), translating to 1.5% of outstanding loan book**
- ❑ **Coverage ratio (including write-offs) at 76%**

Financial performance

(Rs. Million)

	Q3FY12	Q3FY11	Q2FY12	FY11
Disbursals	19,916	23,448	234,44	87,820
Net Interest Income	1,242	1,364	1,314	5,122
Total Income	4,937	3,457	4,711	13,368
Total expenses	710	629	825	2,516
Interest expenses	3,491	1,759	3,141	6,859
Provisions	86	276	198	1,299
Profit before tax	651	793	547	2,693

Broking businesses

- ❑ One of India's leading retail equity and commodities broking houses
- ❑ Pan India presence with over 6,100 outlets
- ❑ Focus on equity and commodity broking, wealth management and investment banking
- ❑ 676,000 equity broking accounts – YoY increase of 4%
- ❑ Over 40,000 commodity broking accounts – YoY increase of 16%
- ❑ Daily average turnover on stock exchanges at Rs. 13 billion (US\$ 261 million)
- ❑ Daily average commodities broking turnover over Rs. 10 billion (US\$ 203 million) – YoY increase of 134%

Broking businesses contd...

- Wealth Management AUM as on December 31, 2011 increased to Rs. 1.9 billion (US\$ 36 million)
– YoY increase of 9%

- In investment banking
 - As Syndicate member, handled two issues in 9M FY12, total amount mobilized – Rs. 792 million (US\$ 15 million)

 - IPO funding – Rs. 550 million (US\$ 10 million)

Broking businesses contd...

Financial performance

(Rs. Million)

	Q3FY12	Q3FY11	Q2FY12	FY11
Total Income	390	392	343	1,649
Total expenses	352	355	321	1,429
Profit before tax	37	37	22	221

- Total income of Rs. 390 million (US\$ 8 million)
– QoQ increase of 13%
- Profit before tax at Rs. 37 million (US\$ 1 million) – QoQ
increase of 67%

- ❑ **Distribution business – branded as ‘Reliance Money’**
- ❑ **Manufacturer agnostic**
- ❑ **Pan India presence with over 6,100 outlets**
- ❑ **Distributor of mutual funds, life & general insurance products, loans, precious metal retailing and premium products**
- ❑ **Over 800 kilos of gold sold – 21% YoY increase**
- ❑ **Largest private sector partner for Western Union Money Transfer in India – nearly 600,000 money transfer transactions in Q3FY12 – YoY increase of 17%**

Financial performance

(Rs. Million)

	Q3FY12	Q3FY11	Q2FY12	FY11
Total Income	337	274	215	585
Total expenses	252	203	194	461
Profit before tax	84	71	21	124

- **Total income of Rs. 337 million (US\$ 7 million)**
– QoQ increase of **56%**
- **Profit before tax of Rs. 84 million (US\$ 2 million), QoQ increase of 300%**

- ❑ **Amongst leading private sector general insurer with private sector market share of nearly 8%**
- ❑ **Gross Written Premium at Rs. 4 billion (US\$ 78 million) – QoQ increase of 8%**
- ❑ **Loss at Rs. 344 million (US\$ 7 million), mainly on account of strengthening third party (non pool) motor claims reserves**

- ❑ **Fresh capital infusion of Rs. 560 million (US\$ 11 million) during the quarter**
- ❑ **Total capital infused – Rs. 13 billion (US\$ 252 million)**
- ❑ **Investment book of Rs. 24 billion (US\$ 447 million) – 13% YoY increase**
- ❑ **Over 600,000 policies sold in Q3FY12**
- ❑ **152 branches; over 5,700 intermediaries**

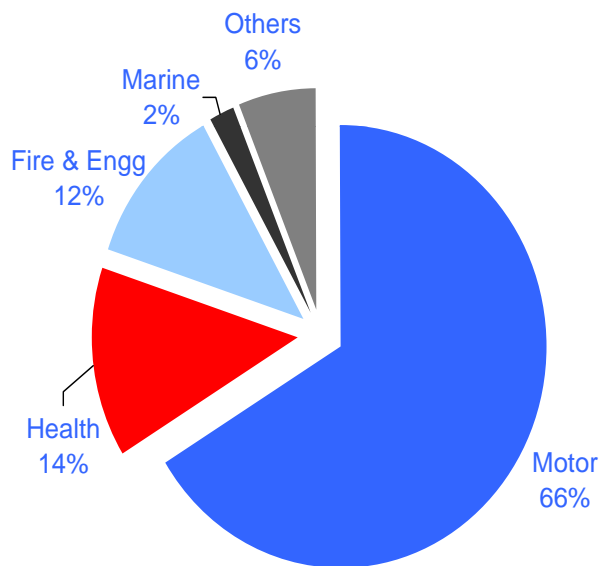
Financial performance

(Rs. Million)

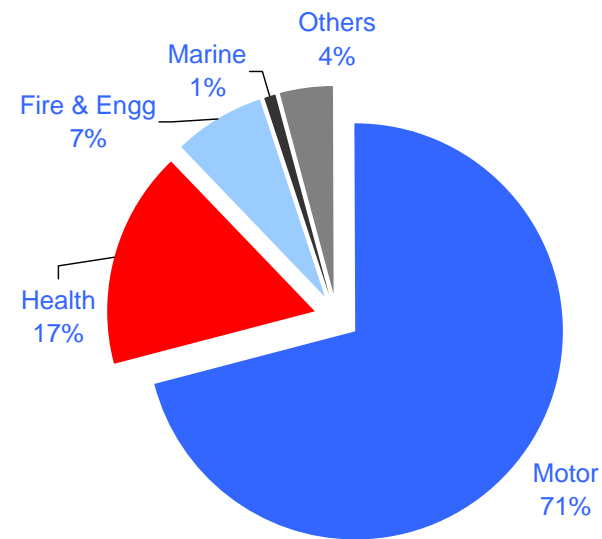
	Q3FY12	Q3FY11	Q2FY12	FY11
Gross Written Premium	3,998	4,181	3,694	16,554
Profit before tax	(344)	(242)	(287)	(3,098)
Investment book	23,807	21,109	22,981	21,372
Combined ratio with pool	130%	128%	123%	140%
No of policies issued	641,469	683,575	604,749	2,803,982

Sector – wise premium contribution

Q3FY12



Q3FY11



- ❑ **Optimizing portfolio mix**
- ❑ **Focus on commercial lines of business – GWP of Rs. 796 million (US\$ 16 million) – YoY increase of 49%**

Shareholding pattern as on December 31, 2011

Category	No. of shares	Shareholding
Promoters	132,982,272	54.14%
Foreign investors – FIIs, GDRs, NRIs, and others	51,371,424	20.91%
Domestic institutions/ Banks / Mutual funds	12,326,083	5.02%
Indian public	49,853,021	19.93%
Total	245,632,800	100.0 %

- Market cap. as on February 09, 2012 – Rs. 104 billion (US\$ 2 billion)

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Thank you

February 10, 2012

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