

# Results for the quarter ended December 31, 2009

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*Investor Presentation*  
*January 20, 2009*

# Agenda

- ❑ *Financial Performance*
- ❑ *Business Performance*
  - Reliance Asset Management
  - Reliance Life Insurance
  - Reliance General Insurance
  - Reliance Money
  - Reliance Consumer Finance
  - Finance & Investments
  - New developments
- ❑ *Shareholding pattern as on December 31, 2008*

## Performance Highlights – Consolidated

Nine months ended December 31, 2008

- ❑ Total Operating Income of Rs. 44.3 billion (US \$ 991 million), against Rs. 32.8 billion in the corresponding period, an increase of 35%
- ❑ Net Profit of Rs. 7.0 billion (US \$ 158 million), against Rs. 6.4 billion in the corresponding period, an increase of 9%
- ❑ Net worth of Rs. 72.5 billion (US \$ 1.5 billion) as on December 31, 2008
- ❑ Total assets of Rs. 22.4 billion (US \$ 4.6 billion) as on December 31, 2008

## Profit & Loss Highlights (Consolidated) – Q3 FY09

*(Rs. million)*

	Q3FY09	Q3FY08	FY08
Total operating income	15,729.0	11,555.7	49,139.9
Staff costs	1,377.6	955.4	4,032.2
Other expenditure	3,665.6	3,606.0	13,318.7
Reinsurance premium ceded	1,935.2	2,212.2	7,665.0
Claims incurred	3,350.4	1,874.9	7,506.8
Interest & financial charges	3,725.3	1,341.9	4,099.7
Depreciation	153.2	93.7	412.1
Profit before tax	1,526.0	1,471.6	12,157.4
Profit after tax	1,342.8	1,160.5	10,102.4
Net Profit after Minority Interest & share of profit of associates	1,315.4	1,181.4	10,090.6
Diluted EPS (Rs.)	5.45	4.86	41.08

## Segmental Performance (Consolidated) – Q3 FY09

*(Rs. million)*

	Q3FY09	Q3FY08	FY08
<b>Finance &amp; Investments</b>			
Revenue	3,287.6	2,34.8	16,852.1
Profit before tax	1245.3	1,293.1	11,593.3
Capital employed	60,742.2	53,453.1	58,983.4
<b>Asset Management</b>			
Revenue	1,111.4	1,231.1	4,557.9
Profit before tax	196.1	257.9	1,931.0
Capital employed	916.1	742.4	677.2

## Segmental Performance (Consolidated) – Q3 FY09

*(Rs. million)*

	Q3FY09	Q3FY08	FY08
<b>General Insurance</b>			
Revenue	6,751.7	6,330.9	23,461.2
Profit before tax	(125.3)	(532.0)	(1,628.4)
Capital employed	5,014.9	3,970.7	4,938.5
<b>Consumer Finance</b>			
Revenue	3,224.9	1,386.1	3,945.8
Profit before tax	145.9	264.5	361.1
Capital employed	12,233.0	5,840.0	8,906.2
<b>Others</b>			
Revenue	1,357.7	254.4	746.8
Profit before tax	188.0	250.5	140.4
Capital employed	2,442.4	381.1	222.5

## Profit & Loss Highlights (Consolidated) – 9M FY09

*(Rs. million)*

	9MFY09	9MFY08	FY08
Total operating income	44,292.1	32,832.7	49,139.9
Staff costs	4,211.3	2,537.2	4,032.2
Other expenditure	9,618.9	9,790.4	13,318.7
Reinsurance premium ceded	5,248.1	5,928.6	7,665.0
Claims incurred	7,580.7	4,453.0	7,506.8
Interest & financial charges	8,991.5	2,252.0	4,099.7
Depreciation	396.5	220.1	412.1
Profit before tax	8,357.3	7,663.5	12,157.4
Profit after tax	7,110.7	6,367.1	10,102.4
Net Profit after Minority Interest & share of profit of associates	7,040.3	6,434.8	10,090.6
Diluted EPS (Rs.)	28.76	26.06	41.08

## Segmental Performance (Consolidated) – 9M FY09

*(Rs. million)*

	9MFY09	9MFY08	FY08
<b>Finance &amp; Investments</b>			
Revenue	12,308.1	10,809.9	16,852.1
Profit before tax	6,645.7	7,281.1	11,593.3
Capital employed	60,742.2	53,453.1	58,983.4
<b>Asset Management</b>			
Revenue	3,352.1	2,697.9	4,557.9
Profit before tax	971.7	805.9	1,931.0
Capital employed	916.1	742.4	677.2



## Segmental Performance (Consolidated) – 9M FY09

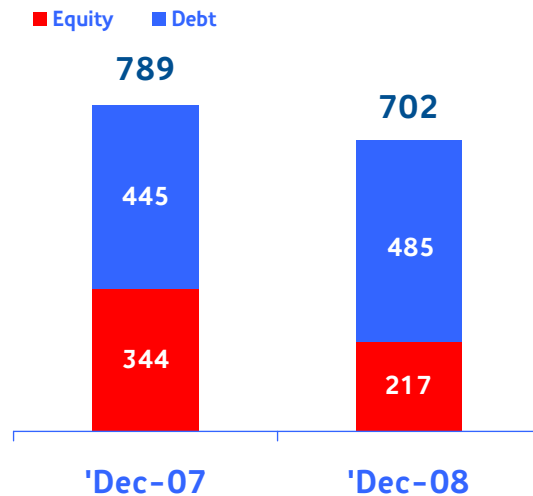
*(Rs. million)*

	9MFY09	9MFY08	FY08
<b>General Insurance</b>			
Revenue	17,699.4	17,017.0	23,461.2
Profit before tax	(209.4)	(735.0)	(1,628.4)
Capital employed	5,014.9	3,970.7	4,938.5
<b>Consumer Finance</b>			
Revenue	9,032.7	1,995.1	3,945.8
Profit before tax	896.9	352.9	361.1
Capital employed	12,233.0	5,840.0	8,906.2
<b>Others</b>			
Revenue	2,012.0	324.9	746.8
Profit before tax	239.7	165.9	140.4
Capital employed	2,442.4	381.1	222.5

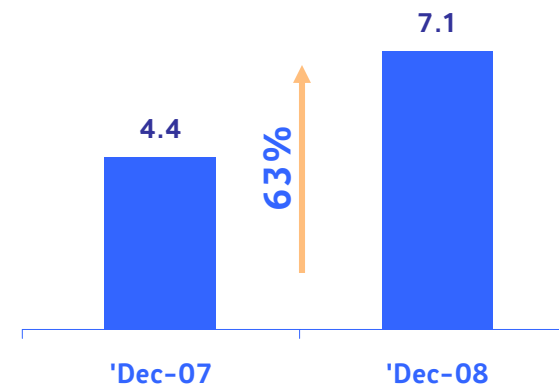
# RELIANCE Mutual Fund

India's no.1 Mutual Fund

AUM (Rs. billion)



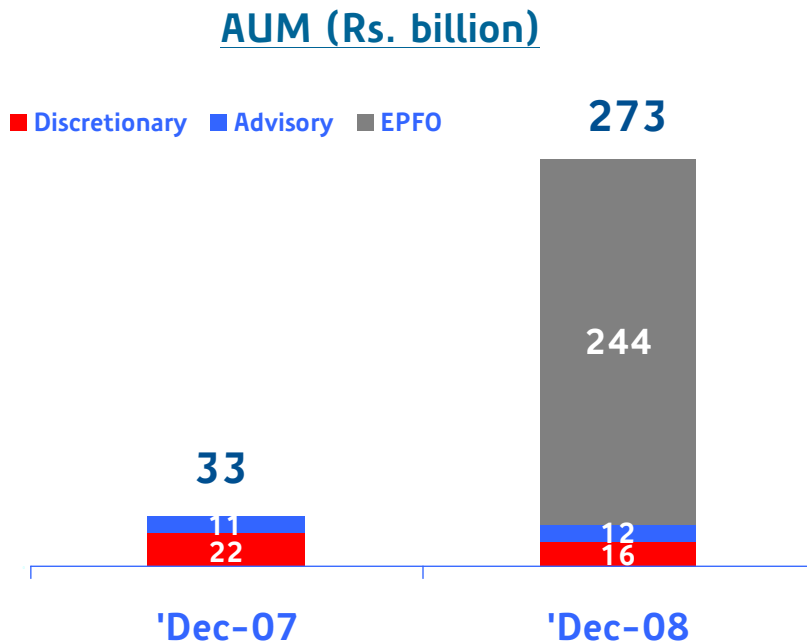
No. of investors (million)



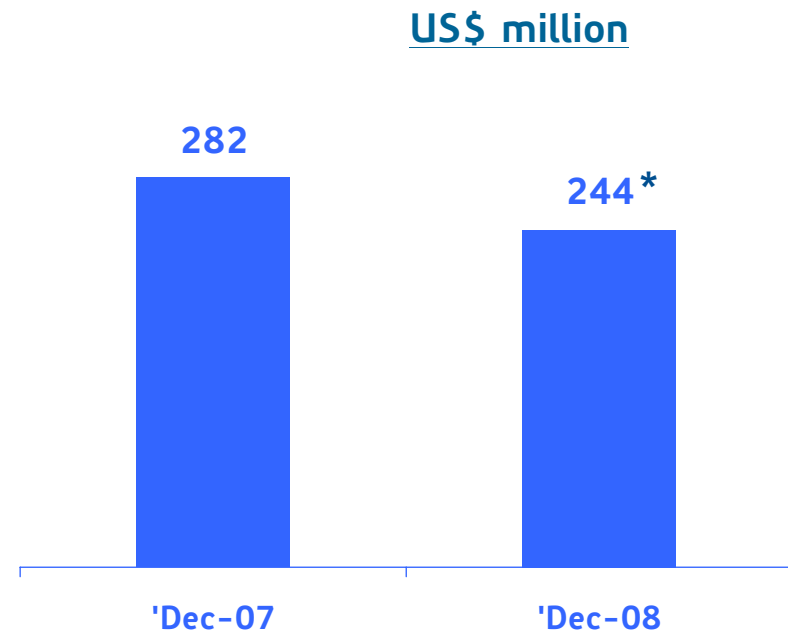
- ❑ Increase in market share YoY – from 15% to 17%, during same period industry declined by 23%
- ❑ Received approval from Malaysian regulators to start asset management operations in Malaysia

# Asset Management

## Portfolio Management Services



## Offshore funds



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

## RCAM (consolidated) financial performance

*(Rs. Million)*

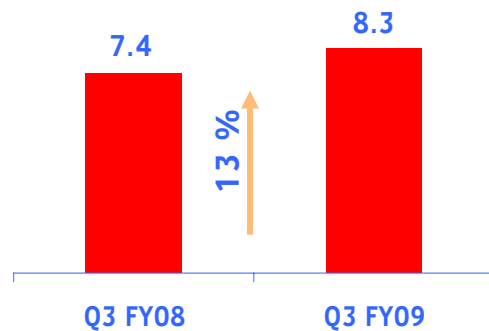
	Q3FY09	Q3FY08	9MFY09	9MFY08	FY08
Income	915.4	1,231.3	3,352.1	2,697.9	4,741.3
Personnel costs	256.3	293.9	877.4	583.2	872.7
Marketing expenses	115.7	488.1	527.3	778.9	1,059.6
Administration & other expenses	204.4	167.2	671.2	485.3	754.7
Profit before tax	339.0	282.1	1,276.2	850.5	2,054.3
Profit after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

- Growth in Q3 Net Profit (YoY) – 36%

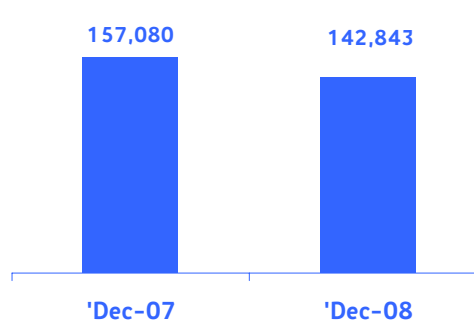
# RELIANCE Life Insurance

Growing premium & expanding reach

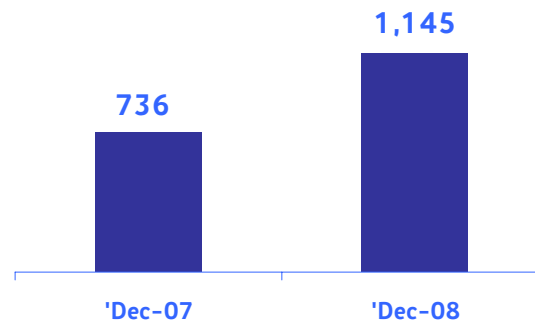
New Business Premium  
(Rs. billion)



No. of Agents



No. of Branches



- Among top 5 Indian life insurers (in terms of new business premium)

# 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

*(Rs. million)*

Particulars	Base value	+ 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
- Persistency assumed to be 51% over period of 5 years
- 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 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 Written 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%

# RELIANCE General Insurance

## 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%

## 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
- ❑ Tie up with DBS Vickers for commodity broking
- ❑ 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

# 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
<b>Total Income</b>	<b>1,021.8</b>	<b>640.3</b>	<b>2,735.4</b>	<b>1,178.4</b>	<b>2,385.0</b>
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
<b>Profit before tax</b>	<b>293.5</b>	<b>48.1</b>	<b>637.1</b>	<b>(129.5)</b>	<b>1.0</b>
<b>Profit after tax</b>	<b>219.5</b>	<b>48.1</b>	<b>473.1</b>	<b>(129.5)</b>	<b>1.0</b>

- Growth in Q3 FY09 PAT (YoY) – 356%

## RELIANCE Consumer Finance

Type of Loan	Loan Book as on December 31, 2008 (Rs. Bn)	% of total	Loan Book as on December 31, 2007 (Rs. Bn)	% of total
Mortgages	30.8	35%	10.7	28%
Auto Loans	17.6	20%	7.5	19%
CV Loans	14.5	16%	4.8	12%
SME Loans	14.5	16%	8.4	22%
Personal Loans	11.6	13%	7.3	19%
<b>TOTAL</b>	<b>89.0</b>	<b>100%</b>	<b>38.7</b>	<b>100%</b>

- Brought down loan book from Rs. 9,513 Crore (Sept '08) to Rs. 8,902 Crore

## 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
<b>Total Income</b>	<b>3,224.8</b>	<b>1,386.1</b>	<b>9,032.7</b>	<b>1,995.1</b>	<b>3,945.8</b>
Personnel costs	180.4	131.7	691.8	254.6	629.3
Interest expenses	1,980.9	637.0	5,053.1	814.8	2,016.8
Other expenses	442.7	349.2	1,426.2	569.1	1,714.3
Provisions	474.9	3.7	964.7	3.7	69.0
<b>Profit before tax</b>	<b>145.9</b>	<b>264.5</b>	<b>896.9</b>	<b>352.9</b>	<b>361.1</b>

- High cost of borrowing & risk perception resulted in hold on disbursements – impact on Q3 FY09 financials

## Finance & Investments – standalone

*(Rs. Million)*

	Q3FY09	Q3FY08	9MFY09	9MFY08	FY08
Interest & finance income	1,281	1,131	4,027	3,264	5,087
Profit on sale (net) investments	2,054	1,102	7,902	7,005	11,233
Other income	149	153	379	540	532
Total	3,484	2,386	12,308	10,809	16,852
Profit before tax	1,103	1,321	6,341	7,236	11,593

## New developments

- ❑ Received approval from RBI & NHB to set up separate subsidiaries for consumer finance & home finance respectively
- ❑ Reliance Capital - included in S&P CNX Nifty w.e.f January 12, 2009



## Shareholding pattern as on December 31, 2008

Category	No. of shares	Shareholding
Reliance Anil Dhirubhai Ambani group	13,13,82,274	53.49%
Foreign investors – FIIs, GDRs, NRIs, and others	6,18,74,205	25.19%
Domestic institutions/ Banks / Mutual funds	85,50,230	3.48%
Indian public	4,38,26,091	17.84%
<b>Total</b>	<b>24,56,32,800</b>	<b>100.0%</b>

- Market cap as at January 19, 2009 – Rs. 105 billion (US\$ 2.2 billion)

**Thank you**

*January 20, 2009*