

Results for the quarter ended June 30, 2010

Investor Presentation

August 09, 2010

Agenda

- ❑ *Financial Performance*
- ❑ *Business Performance*
 - Reliance Asset Management
 - Reliance Life Insurance
 - Reliance Consumer Finance
 - Reliance Money
 - Reliance General Insurance
 - Finance & Investments
- ❑ *Human Capital*
- ❑ *Shareholding pattern as on June 30, 2010*

Performance Highlights – Consolidated

Quarter ended June 30, 2010

- Total Income of Rs. 13 billion (US \$ 277 million), against Rs. 15 billion – decrease of 14%; on account of lower capital gains and reduced topline of general insurance
- Net Profit of Rs. 770 million (US \$ 17 million), against Rs. 1.5 billion – decrease of 49%; due to loss of Rs. 386 million (US\$ 8 million) in general insurance
- Networth of Rs. 78 billion (US\$ 2 billion) as on June 30, 2010 – YoY increase of 4%
- Total assets of Rs. 272 billion (US\$ 6 billion) as on June 30, 2010 – YoY increase of 9%

Profit & Loss Highlights (Consolidated) – Q1 FY11

(Rs. million)

	Q1FY11	Q1FY10	Q4FY10	FY10
Total income	12,669	14,681	17,162	61,406
Staff costs	1,239	1,282	1,220	5,354
Other expenditure	3,147	3,549	6,525	17,040
Reinsurance premium ceded	1,881	2,158	1,513	7,272
Claims incurred	2,351	2,246	4,177	11,857
Interest & financial charges	2,944	3,672	2,587	13,324
Depreciation	128	143	205	676
Profit before tax	977	1,643	936	5,883
Profit after tax	770	1,510	645	4,345
Diluted EPS (Rs.)	3.13	6.15	2.57	17.63

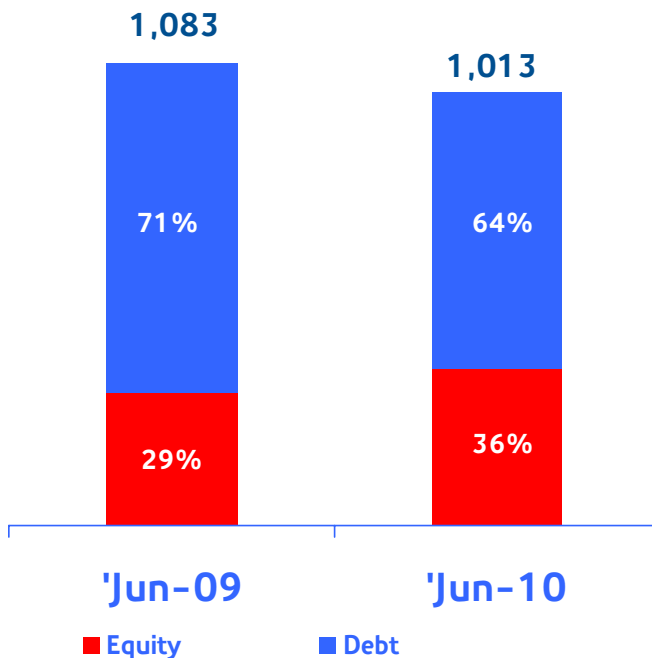
Reliance Capital Asset Management (RCAM)

- ❑ RCAM managed Rs. 1.4 trillion (US \$ 30 billion) across mutual funds, pension funds, managed accounts and hedge funds
- ❑ Reliance Mutual Fund (RMF)
 - ❑ India's largest mutual fund with market share of 15%
 - ❑ Voted as 'The Gold Most Trusted Brand' for 3rd consecutive year – 12th Annual Reader's Digest Trusted Brands in investment category
 - ❑ AAUM – Rs. 1.0 trillion (US\$ 22 billion)
 - ❑ 18% of AUM direct from 245 locations in India – 94% YoY growth

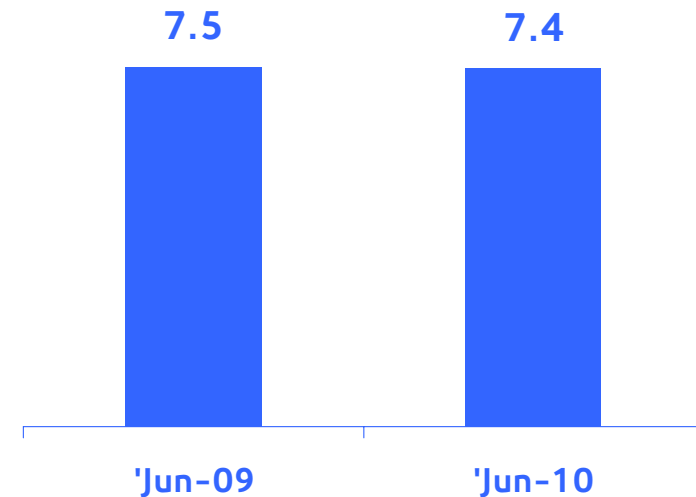
RELIANCE Mutual Fund

India's no.1 Mutual Fund

AAUM - RMF (Rs. Bn)



No. of investor folios (million)



- ❑ **18% YoY growth in Equity AUM**
- ❑ **1.2 million SIP folios – 31% YoY growth; added average 60,000 SIPs every month**
- ❑ **Added over 2,600 new investors in ETF category in Q1 - highest till date**

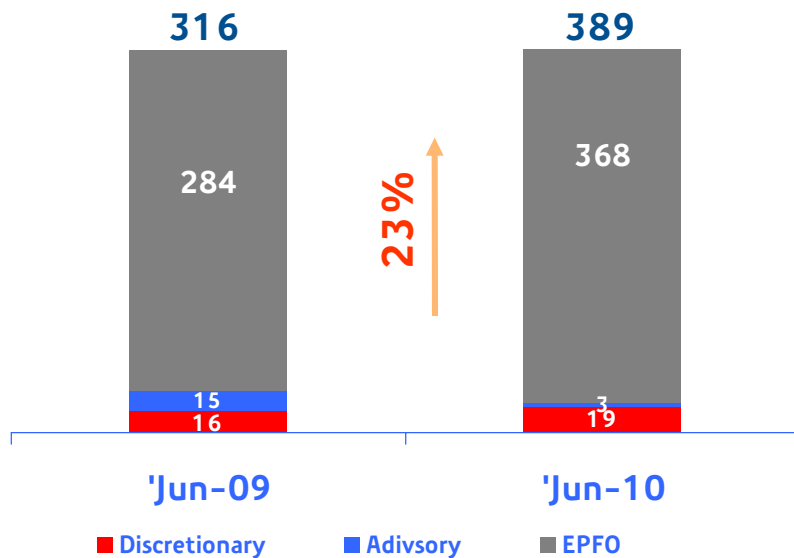
Reliance Capital Asset Management (RCAM)

- Focus on performance fee related businesses of PMS & offshore funds – plans to ramp up in current financial year
- PMS AUM at Rs. 389.5 billion (US \$ 8 billion) – YoY increase of 23%
- Offshore funds AUM at US \$ 203 million – YoY increase of 24%

Asset Management

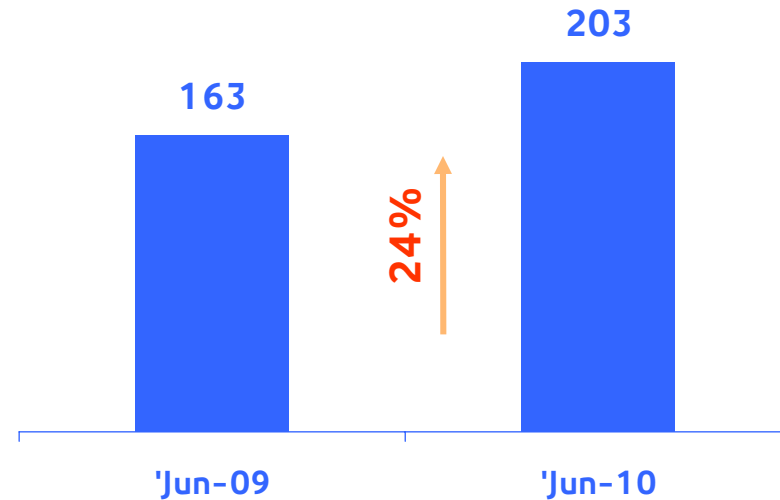
Portfolio Management Services

AUM (Rs. Bn)



Offshore funds

AUM (US\$ million)



- **16% YoY growth in Discretionary AUM**
- **24% YoY growth in offshore AUM**

RCAM (consolidated) financial performance

- Total income at Rs. 1,642 million (US\$ 36 million) – YoY increase of 21%
- Profit before tax at Rs. 577 million (US\$ 13 million) – YoY increase of 23%
- RMF profitability to AAUM – maintained at 17 bps despite challenging regulatory environment in Indian mutual fund industry

RCAM (consolidated) financial performance

(Rs. Million)

	Q1FY11	Q1FY10	Q4FY10	FY10
Income	1,642	1,358	1,936	6,817
Personnel costs	385	317	323	1,487
Marketing expenses	418	387	642	1,756
Administration & other expenses*	233	183	117	765
Profit before tax	577	471	817	2,680

* Includes loss on valuation of investments

RELIANCE Life Insurance

- ❑ **4th largest private sector life insurer – private sector market share of 8.9% in terms of new business premium**
- ❑ **3rd largest private sector life insurer with pvt sector market share of 9.8%, in terms of weighted received premium**
- ❑ **Ranked # 1 in number of policies sold in private sector; sold over 490,000 policies – 21% YoY growth**

RELIANCE Life Insurance

- ❑ Total premium at Rs. 11,976 million (US\$ 262 million) – YoY increase of 33%
- ❑ Renewal premium at Rs. 5,956 million (US\$ 130 million) – YoY increase of 50%
- ❑ New business premium at Rs. 6,053 million (US\$ 133 million) – YoY increase of 20%
- ❑ Weighted received premium at Rs. 5,673 million (US \$ 124 million) – YoY increase of 26%; against private sector industry growth of 25%

RELIANCE Life Insurance

- ❑ Total funds under management at Rs. 144 billion (US \$ 3 billion) – YoY increase of 74%
- ❑ Total policy holders funds under management at Rs. 140 billion (US \$ 3 billion) – YoY increase of 75%
- ❑ 1,247 branches as on June 30, 2010 against 1,145 as on June 30, 2009
- ❑ 24% YoY increase in number of agents at 1,99,711*

** - includes IRDA certified agents and 3rd party distributor teams*

RELIANCE Life Insurance

- ❑ Capital infusion at Rs. 700 million (US \$ 15 million)
- ❑ Total capital infused till date – Rs. 30 billion (US \$ 653 million)
- ❑ NBAP at Rs. 980 million (US \$ 21 million) – 1% YoY growth despite change in regulations ; margins at 17.7%

RELIANCE Life Insurance

(Rs. Million.)

Financial performance

	Q1FY11	Q1FY10	FY10
First year premium	5,630	4,791	36,302
Single premium	422	264	2,906
Total New business premium (NBP)	6,053	5,055	39,208
% of single premium to NBP	7.0%	5.2%	7.4%
Renewal Premium	5,956	3,981	26,841
Total premium	11,976	9,014	65,883
Weighted received premium (WRP)	5,673	4,817	36,592

RELIANCE Life Insurance

Financial performance

(Rs. Million)

	Q1FY11	Q1FY10	FY10
Total funds under management	144,232	82,929	136,608
Policyholders funds under management	140,920	80,601	132,915
No of policies issued	493,899	406,699	2,326,154
Avg premium/ policy (Rs)	11,457.7	11,039.7	14,569.2
Avg tenure of policies issued	15.0	15.0	14.6
Average age of insured	35.4	34.5	35.4
Capital infused	700	NIL	2,310
Capital infused as % of total new business premium	11.6%	-	5.9%

RELIANCE Life Insurance

New business achieved profit

Definition

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

Actual experience may differ from these assumptions

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 risk discount rate, of future releases of capital together with investment earnings on solvency capital

Operating assumptions

- ❑ Operating assumptions such as mortality, morbidity & persistency are based industry & reinsurers experience, using our operating experience where such experience is credible
- ❑ Expense assumptions are based on our latest expense projection which reflects recent responses to lower growth environment. The chosen expense loadings are consistent with current pricing assumptions & represent our most recent view of long term expense assumptions
- ❑ No allowance has been made for any expense over runs that we experience in short term
- ❑ Projections assume that we pay tax at the full rate of tax on profits/ losses arising

RELIANCE Life Insurance

New business achieved profit

Economic assumptions

Particulars	Assumptions
Cash, Money market & TB	5.0%
Government securities	7.5%
Corporate bonds	8.5%
Equities	12.0%
Inflation	5.50%
Risk discount rate	12.5%
Tax rate	14.2%

Further considerations

- ❑ NBAP reflects 95.8% of new business written in quarter ended June 30, 2010
 - ❑ Value from part of traditional business and part of group business has been ignored. These two business lines represent 3.99% & 0.21% respectively of annualized new business premium
- ❑ **NBAP for quarter ended Jun 30, 2010 – Rs. 980 million (17.74%)**

Sensitivity

(Rs. Million)

Particulars	Base value	+ 1%	- 1%
Investment income	980.5	1,034.0	929.2
Risk discount rate	980.5	889.8	1,080.3

- ❑ Investment return sensitivity considers a change in assumed rate of growth for unit linked funds, assumed rate of investments on non unit cash flows & reserves and on assets supporting solvency margin, & a change in rate of expense inflation

RELIANCE Consumer Finance

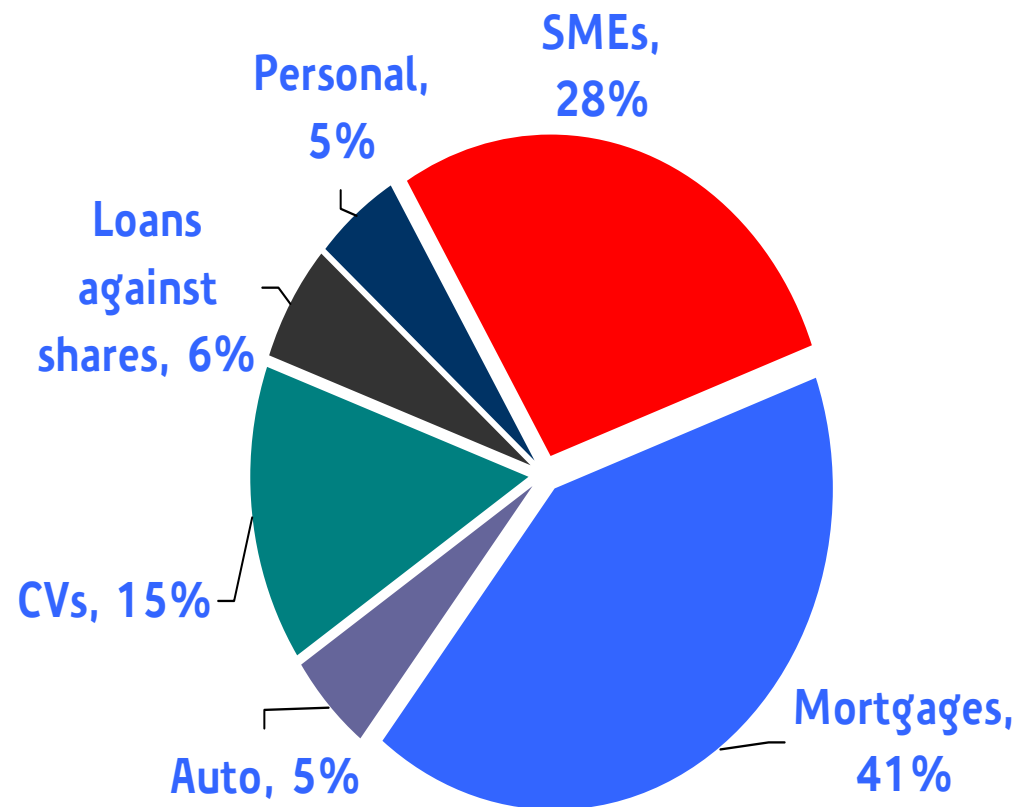
- ❑ Amongst leading lenders in Indian non banking finance sector
- ❑ 87% YoY increase in disbursements at Rs. 13 billion (US\$ 279 million)
- ❑ Focus on secured lending and creating good quality loan portfolio
- ❑ Disbursals only in secured asset backed loans and winding down unsecured loan portfolio
- ❑ 90% of book secured v/s 77% in Q1FY10
- ❑ Brought down personal loan book from 11% to 5% YoY

RELIANCE Consumer Finance

- ❑ **Outstanding loan book at Rs. 91 billion (US\$ 2 billion) – YoY increase of 7%**
- ❑ **Securitization of Rs. 4,673 million (US\$ 102 million) in Q1 FY11**
- ❑ **1,17,602 customers**
- ❑ **Presence in 16 locations across India**

RELIANCE Consumer Finance

Loan Book Composition as on June 30, 2010



RELIANCE Consumer Finance Financial performance

- ❑ Total income at Rs. 2,981 million (US\$ 65 million) – YoY increase of 3%
- ❑ Profit before tax at Rs. 363 million (US\$ 8 million) – YoY increase of 305%
- ❑ Cost to income ratio at 21%
- ❑ Improvement in average NIMs from 5.6% to 5.8%
- ❑ Average cost of borrowing at 8.3% – decline by 88 bps

RELIANCE Consumer Finance

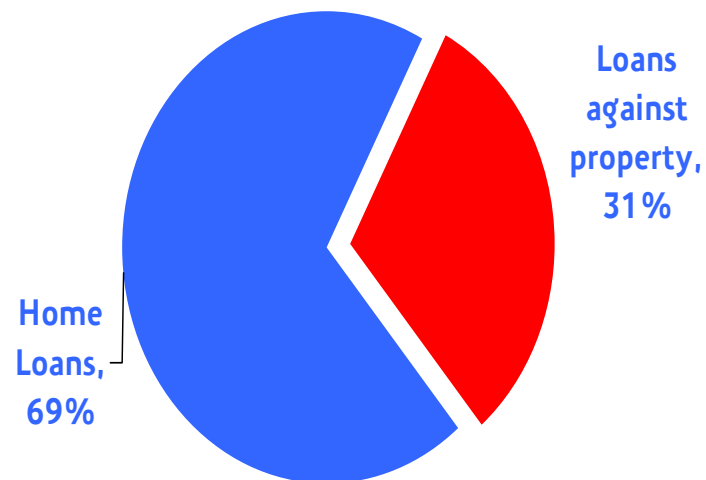
Financial performance

(Rs. Million.)

	Q1FY11	Q1FY10	Q4FY10	FY10
Disbursals	12,746	6,830	22,835	57,762
Interest Income	2,732	2,771	2,594	10,725
Other Income	250	134	661	2,143
Total Income	2,981	2,905	3,255	12,868
Personnel costs	234	184	269	916
Interest expenses	1,473	1,589	1,332	6,130
Other expenses	397	388	293	1,713
Provisions	514	655	709	2,759
Profit before tax	363	89	652	1,350

RELIANCE Consumer Finance Home Finance

Outstanding Loan Book –
Rs. 26 billion



- Outstanding home finance loan book at Rs. 26 billion (US\$ 565 million) – YoY increase of 21%
- Total income at Rs. 825 million (US\$ 18 million) – YoY increase of 12%
- Profit before tax of Rs. 253 million (US\$ 6 million) – YoY increase of 4%

RELIANCE Consumer Finance

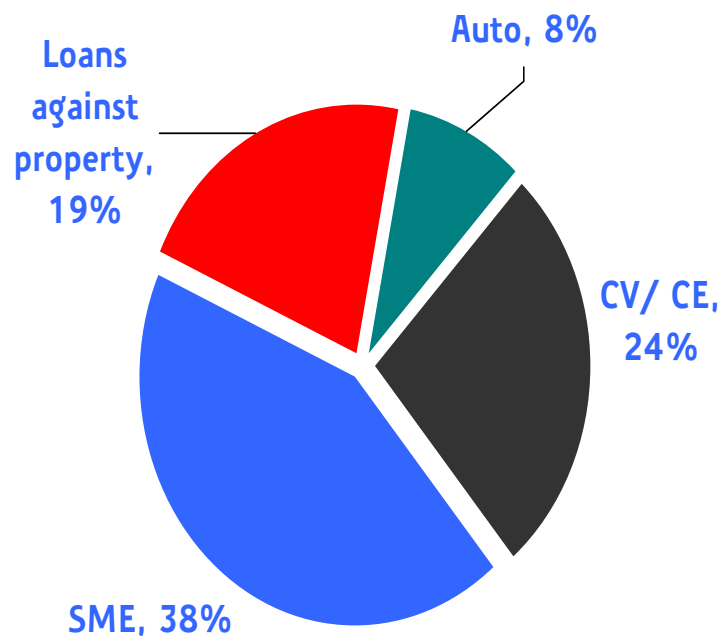
Financial performance – Home Finance

(Rs. Million.)

	Q1FY11	Q1FY10	Q4FY10	FY10
Interest Income	762	692	662	2,731
Other Income	63	44	405	901
Total Income	825	736	1,068	3,632
Personnel costs	57	30	67	187
Interest expenses	447	403	383	1,666
Other expenses	65	44	69	179
Provisions	3	17	(5)	28
Profit before tax	253	242	555	1,570

RELIANCE Consumer Finance Asset Finance

**Outstanding Loan Book –
Rs. 56 billion**



- **Outstanding asset finance loan book at Rs. 56 billion (US\$ 1.2 billion) – YoY increase of 28%**
- **Total income at Rs. 1,563 million (US\$ 34 million) – YoY increase of 24%**
- **Profit before tax of Rs. 378 million (US\$ 8 million) – YoY increase of 53%**

RELIANCE Consumer Finance Financial performance – Asset Finance

(Rs. Million)

	Q1FY11	Q1FY10	Q4FY10	FY10
Interest Income	1,563	1,337	1,455	5,418
Other Income	172	61	227	1,119
Total Income	1,735	1,398	1,682	6,538
Personnel costs	149	84	158	488
Interest expenses	857	819	747	3,193
Other expenses	253	186	118	957
Provisions	98	61	257	391
Profit before tax	378	248	401	1,508

RELIANCE Consumer Finance Unsecured loan book

- ❑ **Outstanding unsecured loan book at Rs. 8,973 million
(US\$ 192 million) – 54% YoY decline**
- ❑ **De-emphasize unsecured lending**
- ❑ **33% YoY decrease in losses at Rs. 268 million
(US\$ 6 million)**

Unsecured loan book Financial performance

(Rs. Million)

	Q1FY11	Q1FY10	Q4FY10	FY10
Interest Income	406	743	477	2,575
Other Income	16	28	28	123
Total Income	422	771	506	2,698
Personnel costs	28	70	44	239
Interest expenses	170	367	203	1,271
Other expenses	79	158	106	577
Provisions	413	577	457	2,339
Profit before tax	(268)	(401)	(304)	(1,728)

RELIANCE Money

Retail Broking

- Equity & Commodity
- Direct & Franchisees
- On-line & Call N Trade
- Research & Advisory



- Urban & Semi-Urban class
- Mass affluent & Traders
- HNI Segment
- SMEs, Corporate & UHNW



Investment Banking

- Issue management
- Debt syndication
- Distribution



- SMEs
- Corporates
- UHNW



Wealth Management

- PMS
- Structured Notes
- NRI Market



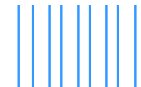
- HNI Segment



Distribution

Gold/Insur etc MTS/FFMC

- Insurance
- Mutual Fund
- FDs & IPOs



- Rural India
- Urban & Semi-Urban class



- footprint
- Distribution



- Rural India
- Urban & Semi-Urban class



RELIANCE Money

- ❑ One of India's leading brokerage and distributor of financial products
- ❑ Pan India presence with over 5,000 outlets
- ❑ Multiple access points to ensure effective, anytime – anywhere transactions
- ❑ Focus on broking, distribution (3rd party), wealth management and investment banking

RELIANCE Money

Broking:

- ❑ focus on equity broking, commodities, and derivatives
- ❑ 642,000 broking accounts
- ❑ rising daily average turnover on stock exchanges at Rs. 23 billion
- ❑ daily average commodities broking turnover – Rs. 2.3 billion

RELIANCE Money

Distribution – third party

- ❑ manufacturer agnostic
- ❑ distributor of mutual funds, life & general insurance products, loans and precious metal retailing
- ❑ Mutual Fund AUM garnered – Rs. 44 billion (US\$ 969 million) – 314% YoY increase
- ❑ Over 120 kilos of gold sold – 87% YoY increase

RELIANCE Money

Wealth Management

- **New initiative of Reliance Money**
- **Wealth Management – to address financial needs & create investment opportunities for HNIs and average retail investor**
 - **AUM as on June 30, 2010 increased to Rs. 960 million (US\$ 206 million) from Rs. 850 million as on June 30, 2009 – YoY increase of 13%**

RELIANCE Money

Investment Banking

- ❑ New initiative of Reliance Money
- ❑ Investment Banking – to address capital requirements of an enterprise through IPOs, private placements, bond offerings, M&A etc
- ❑ In advanced stages of finalizing Investment Banking plan

RELIANCE Money

Financial performance

- ❑ Restructured operations by discontinuing unprofitable businesses
- ❑ As a result, total income declined QoQ by 49% to Rs. 390 million (US\$ 9 million)
- ❑ Profit before tax of Rs. 34 million (US\$ 1 million) – QoQ improvement in profit margins

RELIANCE Money

Financial performance

(Rs. Million)

	Q1FY11	Q1FY10	Q4FY10	FY10
Total Income	390	682	758	2,585
Sub brokerage	93	57	99	231
Personnel costs	133	299	270	992
Other expenses	130	221	388	1213
Profit before tax	34	105	1	149

RELIANCE General Insurance

- Amongst the leading private sector general insurer with private sector market share of 10%
- Focus on writing profitable business and not just growth
- Incurred losses due to high claims in health portfolio
 - Have repriced all health products
 - Significantly reduced exposure to unprofitable Group Mediclaim products
- Gross Written Premium at Rs. 4,293 million (US\$ 94 million) – YoY decrease of 23%
- Loss of Rs. 386 million (US\$ 8 million) as against profit of Rs. 10 million in Q1 FY10
- Combined ratio (with third party motor pool) – 124% vs 112% in Q1 FY10

RELIANCE General Insurance

- ❑ Capital infusion of Rs. 950 million (US\$ 21 million)
- ❑ Total capital infused till date – Rs. 11,020 million (US\$ 236 million)
- ❑ Investment book of Rs. 19,972 million (US\$ 429 million) – 35% YoY increase
- ❑ 730,350 policies sold in Q1 FY11
- ❑ 18% QoQ decrease in claims handled at 104,366
- ❑ 200 branches; 4,428 intermediaries

RELIANCE General Insurance

Financial performance

(Rs. Million)

	Q1FY11	Q1FY10	Q4FY10	FY10
Gross Written Premium	4,293	5,575	4,159	19,797
Underwriting result (accounting)	(474)	(118)	(828)	(1,262)
Profit after tax	(386)	10	(445)	(504)
Investment book	19,972	14,844	16,567	16,567
Networth	8,066	6,326	7,912	7,912
Combined ratio with pool	124%	112%	130%	117%
No of policies issued	730,350	847,377	797,971	3,336,573
No of claims handled	104,366	77,788	126,685	454,573

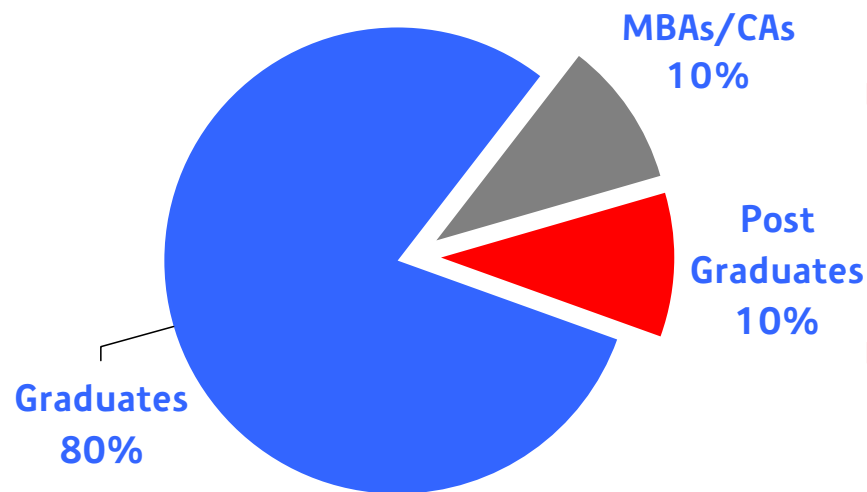
RELIANCE General Insurance

Sector-wise premium contribution

	Q1FY11	Q1FY10	FY10
Motor	53%	64%	67%
Health	15%	11%	12%
Fire	10%	11%	7%
Engineering	2%	5%	5%
Others	19%	9%	10%
Total	100%	100%	100%

Human Capital

Qualification profile



- ❑ 23,053 employees – 10% YoY increase
- ❑ 81% in Customer Facing roles
- ❑ Young workforce – Average Age of 34; over 98% below age of 35
- ❑ 20% Post Graduates & Professionals
- ❑ 2,579 Women Employees

Shareholding pattern as on June 30,2010

Category	No. of shares	Shareholding
Reliance Anil Dhirubhai Ambani group	13,26,82,274	54.5%
Foreign investors – FIIs, NRIs and others	5,42,16,114	21.4%
Domestic institutions/ Banks / Mutual funds	1,12,21,346	4.6%
Indian public	4,75,13,066	19.5%
Total	24,56,32,800	100%

- Market cap. as on August 06, 2010 – Rs. 194 billion (US\$ 4 billion)

Thank you

August 09, 2010