

Results for the quarter ended December 31, 2010

Investor Presentation

February 12, 2011

Agenda

RELIANCE

- ❑ *Financial Performance*
- ❑ *Business Performance*
 - Reliance Capital Asset Management
 - Reliance Life Insurance
 - Reliance Commercial Finance
 - Reliance Securities
 - Distribution business - 'Reliance Money
 - Reliance General Insurance
 - Q3 FY11 update on other businesses
- ❑ *Shareholding pattern as on December 31, 2010*

Performance Highlights – Consolidated Quarter ended December 31, 2010

- Total Income of Rs. 13.7 billion (US \$ 305 million), against Rs. 14.9 billion
- Net Profit of Rs. 1.1 billion (US \$ 24 million), against Rs. 632 million – increase of 68%
- EPS of Rs. 4.36 (US\$ 0.1) as against Rs. 2.57 – increase of 69%
- Networth of Rs. 81 billion (US\$ 2 billion) as on December 31, 2010 – YoY increase of 4%
- Total assets of Rs. 304 billion (US\$ 7 billion) as on December 31, 2010 – YoY increase of 26%

P&L Highlights (consolidated) – Q3 FY11

(Rs. million)

	Q3 FY11	Q3 FY10	Q2 FY11	FY10
Total income	13,689	14,888	12,998	61,406
Staff costs	1,215	1,453	1,278	5,354
Other expenditure	2,989	3,547	2,972	13,909
Reinsurance premium ceded	1,587	1,896	1,467	7,272
Claims incurred	2,232	3,321	2,526	11,857
Interest & financial charges	4,007	3,457	3,397	13,324
Depreciation	117	175	119	676
Profit before tax	1,543	1,039	1,240	5,883
Profit after tax	1,063	632	1,120	4,345
Diluted EPS (Rs.)	4.36	2.57	4.03	17.63

Key businesses financial highlights – Q3 FY11

(Rs. million)

	Revenue	PBT
Asset Management	1,857	913
Commercial Finance	3,482	793
Reliance Securities	392	37
Reliance Money	274	71
General Insurance	4,181	(242)
Life Insurance	14,470	2,740*

- Core businesses contribute to 100% of profits
- Major operating business profits at Rs. 1.8 billion (US\$ 40 million) – 61% YoY increase

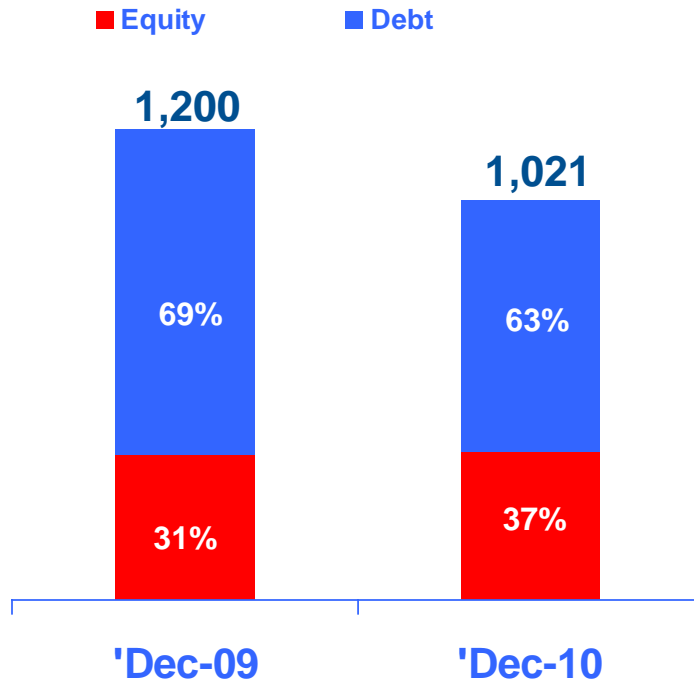
* - NBAP for nine months ended December 31, 2010

Reliance Capital Asset Management (RCAM)



- **Managed Rs. 1.4 trillion (US \$ 32 billion) – 1% YoY increase, across:**
 - mutual funds – Rs. 978 billion (US\$ 22 billion)
 - pension funds – Rs. 406 billion (US\$ 9 billion)
 - managed accounts – Rs. 21 billion (US\$ 463 million) and
 - hedge funds – Rs. 13 billion (US\$ 299 million) – 61% YoY increase
- **Wide distribution network – presence in over 200 cities & 75,000 touch points**

AAUM for quarter - RMF (Rs. billion)



- India's No 1 mutual fund
- Market share of over 15%
- 7.2 million investor folios – 15.5% market share
- 1.9 million SIP & STP accounts – 74% YoY increase; amongst highest in industry
- Adding 1 lakh SIPs every month

RCAM achievements – Q3 FY11

- **High focus on Retail - Long term debt increased to over 19% of total debt AUM from 5.7% in December 2009**
- **Launched FAST (Flexible Asset Selection Tool) – unique solution for financial planning through mutual funds – a first in industry**
- **Awards:**
 - **‘Best Fund House’ by Outlook Money**
 - **12 awards including 5 Platinum awards for various schemes – ET Intelligence Group**
 - **5 awards in different categories by NDTV Profit Mutual Fund Awards 2010 – highest by any AMC**

RCAM (consolidated) financial performance

(Rs. Million)

	Q3 FY11	Q3 FY10	Q2 FY11	FY10
Income	1,857	1,964	1,773	6,817
Expenses	944	1,220	1,073	4,137
Profit before tax	913	744	700	2,680

- ❑ Total income – QoQ increase of 5%
- ❑ Profit after tax – QoQ increase of 30%
- ❑ Focus on retail long term debt and leaner cost of operations improved profitability – PBT to AAUM at 36 bps – YoY increase of 33%

- ❑ **Amongst leading private sector life insurers – private sector market share of 8.0% in terms of new business premium**
- ❑ **1,248 branches**
- ❑ **215,952 agents – 33% YoY increase**
- ❑ **Total funds under management at Rs. 174 billion (US\$ 4 billion) – 50% YoY increase**

- ❑ **Total premium at Rs. 14.5 billion (US\$ 323 million)**
- ❑ **Renewal premium at Rs. 8.6 billion (US\$ 191 million) – YoY increase of 25%**
- ❑ **New business premium at Rs. 5.9 billion (US\$ 132 million)**

Financial performance

(Rs. million)

	Q3 FY11	Q3 FY10	FY10
First year premium	3,682	8,219	36,302
Single premium	2,255	994	2,906
Total New business premium	5,937	9,213	39,208
Renewal Premium	8,570	6,859	26,841
Reinsurance Premium	(37)	(38)	(166)
Total premium	14,470	16,034	65,883
Total funds under management	173,548	115,456	136,608

Financial performance

(Rs. million)

	Q3 FY11	Q3 FY10	FY10
Capital infused	-	-	2,310
No of policies issued	308,923	688,979	2,326,154
Avg premium/ policy (Rs) (Individual business)	18,555	12,746	14,569
Avg tenure of policies issued	15.2	14.8	14.5

- ❑ No capital infusion in Q3 FY11
- ❑ Total capital infused till date – Rs. 31 billion (US \$ 690 million)

RELIANCE

Life Insurance

New business achieved profitDefinition

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

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% of new business written in nine months ended December 31, 2010
 - Value from part of traditional business and part of group business has been ignored.
- These two business lines represent 5% of annualized new business premium

- **NBAP for nine months ended Dec 31, 2010 – Rs. 2.7 billion (18.02%), up from Rs. 2.2 billion (17.9%) in H1 FY11**

Sensitivity

(Rs. Million)

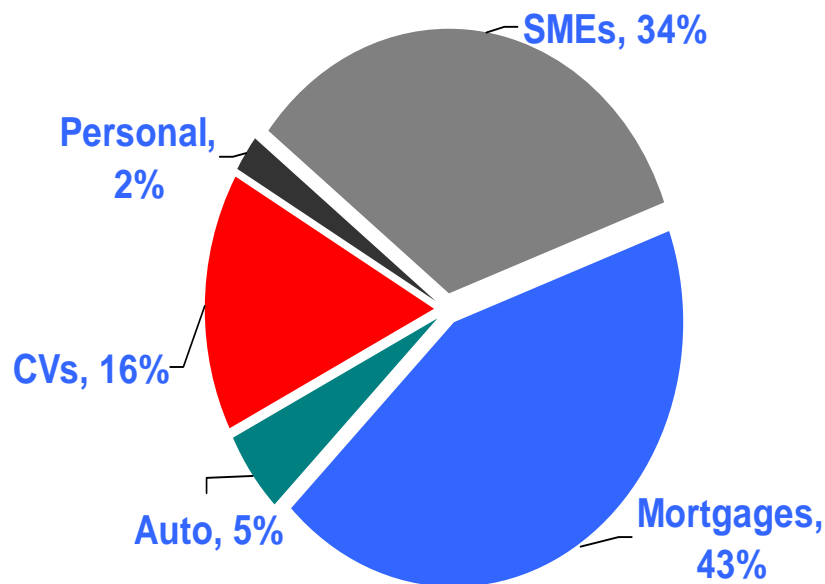
Particulars	Base value	+ 1%	- 1%
Investment income	2,740	2,935	2,554
Risk discount rate	2,740	2,474	3,035

- 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

- **Amongst leading lenders in Indian non banking finance sector**
- **63% YoY increase in disbursements at Rs. 23.4 billion (US\$ 522 million)**
- **Focus on secured lending and creating good quality loan portfolio**

- ❑ **Disbursals only in secured asset backed loans and winding down unsecured loan portfolio**
- ❑ **95% of book secured v/s 79% as on December 31, 2010**
- ❑ **Brought down personal loan book from 9% to 2% YoY**

Loan Book Composition as on December 31, 2010



- ❑ **AUM – Rs. 123 billion (US\$ 3 billion) – 30% YoY growth**
- ❑ **Outstanding loan book at Rs. 107 billion (US\$ 2 billion) – YoY increase of 37%**
- ❑ **No securitization in Q3 FY11**
- ❑ **115,351 customers across 18 locations in India**

Financial performance

(Rs. Million)

	Q3 FY11	Q3 FY10	FY10
Net Interest Income	1,338	1,124	4,595
Total Income	3,482	3,263	12,868
Total expenses	628	725	2,629
Interest expenses	1,785	1,476	6,130
Provisions	276	681	2,759
Profit before tax	793	381	1,350

- Net Interest Income at Rs. 1.3 billion (US\$ 30 million) – YoY increase of 19%
- Profit before tax at Rs. 793 million (US\$ 18 million) – YoY increase of 108%
- Cost to income ratio decreased to 18% from 22% in Q3 FY10

Financial performance

- ❑ **Average NIMs at 5.4% based on capital adequacy of 16%**
- ❑ **Average cost of borrowing at 8.7%**
- ❑ **63% YoY decline in Gross NPLs at Rs. 1.9 billion (US\$ 43 million)**
- ❑ **Provisioning till date of Rs. 741 million (US\$ 17 million)**
- ❑ **Coverage ratio – 79%**

Secured Book - Financial performance

(Rs. Million)

	Q3 FY11	Q3 FY10	FY10
Net Interest Income	1,210	807	3,290
Total Income	3,237	2,602	10,170
Total expenses	553	504	1,813
Interest expenses	1,683	1,157	4,859
Provisions	107	32	420
Profit before tax	894	908	3,078

- Outstanding secured loan book at Rs. 102 billion (US\$ 2 billion) – YoY increase of 64%
- Net Interest Income at Rs. 1.2 billion (US\$ 28 million) – YoY increase of 50%
- Profit before tax of Rs. 894 million (US\$ 20 million) – YoY decline of 2% on account of no securitization profit booked in Q3 FY11
- Profit from business operations increased 70% YoY, excluding securitization profit in Q3 FY10

Unsecured Book - Financial performance

(Rs. Million) □

	Q3 FY11	Q3 FY10	FY10
Net Interest Income	128	317	1,305
Total Income	246	662	2,698
Total expenses	76	221	816
Interest expenses	102	319	1,271
Provisions	169	649	2,339
Profit before tax	(101)	(527)	(1,728)

□ Outstanding unsecured loan book at Rs. 5 billion (US\$ 115 million) – 68% YoY decline

□ De-emphasize unsecured lending
□ 81% YoY decrease in losses at Rs. 101 million (US\$ 2 million)

□ Provisioning of Rs. 169 million (US\$ 4 million) – 74% YoY decline

- ❑ **One of India's leading retail broking houses**
- ❑ **Multiple access points to ensure effective, anytime – anywhere transactions**
- ❑ **Pan India presence with 6,200 outlets**
- ❑ **Focus on broking, wealth management and investment banking**

Broking:

- ❑ **Focus on equity broking, commodities, and derivatives**
- ❑ **651,000 broking accounts**
- ❑ **Daily average turnover on stock exchanges at Rs. 18 billion (US\$ 401 million) – 20% QoQ increase**
- ❑ **Daily average commodities broking turnover at Rs. 4 billion (US\$ 98 million) – 80% QoQ increase**

Wealth Management

- Address financial needs & create investment opportunities for HNIs and retail investors
 - AUM as on December 31, 2010 increased to Rs. 1.8 billion (US\$ 40 million) – YoY increase of 103%

Investment Banking

- Address capital requirements of an enterprise through IPOs, private placements, bond offerings, M&A etc
- As Syndicate member, handled 3 issues in 9M FY11; total amount mobilized – Rs. 5.9 billion (US\$ 130 million)
- IPO funding in 9M FY11 – Rs. 35 billion (US\$ 771 million)

Financial performance

(Rs. Million)

	Q3 FY11	Q3 FY10	Q2 FY11	FY10
Total Income	392	225	361	2,151
Sub brokerage	56	25	49	182
Total expenses	299	198	260	1,694
Profit before tax	37	1	52	275

- Total income of Rs. 392 million (US\$ 9 million) as against Rs. 225 million in Q3 FY11 – 75% YoY increase
- Profit before tax of Rs. 37 million (US\$ 1 million)
- Focus on profitable growth across each line of business

RELIANCE

Money

Distribution business – branded as ‘Reliance Money’

- ❑ **Manufacturer agnostic**
- ❑ **Pan India presence with nearly 6,200 outlets**
- ❑ **Distributor of life & general insurance products, loans and precious metal retailing**
- ❑ **Tied up with India Post to sell gold coins through its network in India - over 670 kilos of gold sold – 284% YoY increase**
- ❑ **Largest private sector partner for Western Union Money Transfer in India - over 500,000 money transfer transactions**

Money

Financial performance

(Rs. Million)

	Q3 FY11	Q3 FY10	Q2 FY11	FY10
Total Income	274	312	86	434
Sub brokerage	95	10	52	49
Total expenses	109	303	9	511
Profit before tax	71	(0.6)	25	(126)

- Total income of Rs. 274 million (US\$ 6 million)
- Profit before tax of Rs. 71 million (US\$ 2 million) as against loss of Rs. 0.6 million in Q3FY10

RELIANCE

General Insurance

- ❑ Amongst leading private sector general insurer with private sector market share of 9.6%
- ❑ Gross Written Premium at Rs. 4.2 billion (US\$ 93 million) – QoQ increase of 13%
- ❑ Brought down loss to Rs. 242 million (US\$ 5 million) from Rs. 282 million in Q2 FY11 – decrease of 14%
- ❑ Combined ratio (with third party motor pool) – 124% vs 118% in Q2 FY11 – on account of providing for 9 months of third party motor pool losses in line with change in accounting policy for pool losses
- ❑ Thrust continues to be on writing profitable business and improving combined ratio

Financial performance

(Rs. Million)

	Q3 FY11	Q3 FY10	Q2 FY11	FY10
Gross Written Premium	4,181	5,182	3,707	19,797
Profit before tax	(242)	(70)	(282)	(905)
Investment book	21,109	15,156	19,603	16,567
Combined ratio with pool	124%	112%	118%	117%
No of policies issued	683,575	878,615	651,016	3,336,573

- No capital infusion in Q3 FY11
- Total capital infused till date – Rs. 11 billion (US\$ 256 million)
- Investment book of Rs. 21 billion (US\$ 471 million) – 39% YoY increase, includes money managed by 3rd party motor pool returned to Company, as per changes in accounting pool
- Over 680,000 policies sold in Q3 FY11 – 5% QoQ increase
- 200 branches; over 4,000 intermediaries

Sector – wise premium contribution

	Q3 FY11	Q3 FY10	FY10
Motor	62%	67%	67%
Health	16%	12%	12%
Fire	7%	7%	7%
Engineering	3%	4%	5%
Others	13%	10%	10%
Total	100%	100%	100%

Other businesses – Q3 FY11 update

- **Reliance ExchangeNext (R Next)**
 - R Next, subsidiary of Reliance Capital, received regulatory approval to acquire 26% stake as anchor investor, in Indian Commodity Exchange (ICEX), screen based online derivative exchange for commodities
 - ICEX and Reliance Spot Exchange (RSX) to offer comprehensive integrated products offering significant benefits to their members and update existing ecosystem
 - Daily transactions executed on RSX exchange auction platform. Total delivery transactions crossed 6,500 metric tonnes
- **Reliance Asset Reconstruction**
 - AUM- Rs. 3 billion (US\$ 69 million) – 15 fold YoY increase
- **Reliance Venture Asset Management**
 - AUM – Rs. 1.8 billion (US\$ 39 million)

Shareholding pattern as on December 31, 2010

Category	No. of shares	Shareholding
Reliance Anil Dhirubhai Ambani group	132,982,274	54.1%
Foreign investors – FII's, GDRs, NRIs, and others	54,771,227	21.2%
Domestic institutions/ Banks / Mutual funds	12,151,540	4.9%
Indian public	45,727,759	19.8%
Total	245,632,800	100.0 %

- Market cap. as on February 11, 2011 – Rs. 105 billion (US\$ 2.3 billion)

RELIANCE

Thank you

February 12, 2011

RELIANCE