

Results for the year ended March 31, 2012

Investor Presentation

May 19, 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
- ❑ *Human Capital*
- ❑ *Shareholding pattern as on March 31, 2012*

Performance Highlights - Consolidated

Year ended March 31, 2012

- ❑ **Total Income of Rs. 66.3 billion (US\$ 1.4 billion), against Rs. 55.4 billion - increase of 20%, mainly on account of sale of stake in life insurance business, and increase in income from commercial finance and broking & distribution businesses**
- ❑ **Net Profit of Rs. 4.6 billion (US\$ 95 million), against Rs. 2.9 billion - increase of 57%**
- ❑ **Proposed a dividend of Rs. 7.50 per share**

Performance Highlights - Consolidated Year ended March 31, 2012 (contd.)...

- ❑ **From Reliance Life transaction of 26% strategic stake sale to Nippon Life, proceeds of over Rs. 27.0 billion (US\$ 540 million) – have been used to bring down debt at Reliance Capital**
- ❑ **Merged Viscount Management Alpha, one of the holding companies of Reliance Life, into Reliance Capital**
- ❑ **38% of Reliance Life is now held directly by Reliance Capital**
- ❑ **Networth rose by Rs. 38.9 billion, mainly driven by the merger of Viscount Management Alpha**

Balance sheet highlights - Consolidated Year ended March 31, 2012 (contd.)...

- ❑ **Net debt to equity at 1.56 as against 2.14 at end of FY11 - improved by 27%**
- ❑ **Networth of Rs. 117.0 billion (US\$ 2.3 billion) as on March 31, 2012**
- ❑ **Total assets of Rs. 353.4 billion (US\$ 6.9 billion) as on March 31, 2012 - YoY increase of 10%**

Profit / Loss highlights - Consolidated Quarter and Year ended March 31, 2012

(Rs. million)

	Q4FY12	Q4FY11	Q3FY12	FY12	FY11
Total income	20,019	16,003	15,868	66,269	55,359
Staff costs	1,268	1,241	1,337	5,478	4,973
Other expenditure	3,690	3,427	2,854	12,380	12,388
Reinsurance premium ceded	1,766	1,700	1,842	7,515	6,635
Claims incurred	4,672	6,205	2,777	12,659	13,314
Interest & financial charges	5,646	4,290	5,892	22,501	14,639
Depreciation	165	136	133	544	500
Profit before tax	2,811	(996)	1,033	5,192	2,911
Profit after tax	3,293	(64)	602	4,578	2,912
Diluted EPS (Rs.)	13.41	(0.26)	2.45	18.64	11.85

Reliance Capital Asset Management (RCAM)

- ❑ **Managed Rs. 1.4 trillion (US\$ 27.5 billion) across:**
 - ❑ **mutual funds - Rs. 781.1 billion* (US\$ 15.3 billion)**
 - ❑ **managed accounts - Rs. 14.6 billion (US\$ 285 million)**
 - ❑ **pension funds - Rs. 594.6 billion (US\$ 11.6 billion)**
 - ❑ **hedge funds - Rs. 18.3 billion (US\$ 357 million)**

- ❑ **Wide distribution network - over 250 branches across India**

** - AAUM for the quarter ended March 31, 2012*

RCAM - Achievements

- **Nippon Life, largest private life insurer in Asia, signed definitive agreements 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. 56.0 billion (US\$ 1.1 billion) - 7% of AAUM at the time of transaction**
 - **Nippon to invest Rs. 14.5 billion (US\$ 283 million) for 26%**

RCAM - Achievements

- ❑ **Adjudged as the 'Best BFSI AMC' by Business and Economy Magazine**
- ❑ **Awarded 'the best fund house 2011' by Moneylife, a personal finance magazine**
- ❑ **Won four awards at the 9th Annual ICRA MF Awards 2012**
- ❑ **Awarded 'Asia's 10th Best Employer' for 2011 - 12 by Asia's Best Employer Brand Awards**
- ❑ **Won two awards at the CNBC TV18 CRISIL MF Awards 2012**
- ❑ **Reliance Anytime Money card and 'Edge - The learning Academy' - rated among top 50 financial inclusion projects by Skoch Consultancy Services**

- ❑ **Continues to be the most profitable MF in India**
- ❑ **Among top 2 mutual funds in India with market share of over 12%**
- ❑ **Average AUM at Rs. 781.1 billion (US\$ 15.3 billion)**
- ❑ **Nearly 2 million SIP & STP accounts - highest in industry**
- ❑ **Retail Gold Fund crossed Rs. 26.5 billion (US\$ 518 million) healthy market share of 28% in Gold Fund category**
- ❑ **44 schemes - 21 equity, 20 debt, 2 ETFs and 1 Fund of Funds**

RCAM consolidated financial performance

(Rs. million)

	Q4FY12	Q4FY11	Q3FY12	FY12	FY11
Income	1,792	2,062	1,550	6,647	7,330
Expenses	781	1,310	849	3,571	4,387
Profit before tax	1,011	752	700	3,076	2,943

- ❑ **9% YoY decrease in total income**
- ❑ **19% YoY decline in expenses, in line with focus on leaner cost of operations**
- ❑ **5% YoY increase in profit before tax**

- ❑ **Amongst leading private sector life insurers - private sector market share of over 5% in terms of new business premium**
- ❑ **Leader in terms of no. of individual premium policies sold in private sector in FY12**
- ❑ **Over 5 million policies in force**
- ❑ **Wide distribution network across India with 1,230 offices**
- ❑ **1,50,590 agents - YoY planned decline of 20%, in line with focus on productivity and performance of agents**

- ❑ **Total premium (net of reinsurance) at Rs. 54.7 billion (US\$ 1.1 billion)**
- ❑ **Renewal premium at Rs. 36.9 billion (US\$ 769 million)**
- ❑ **New business premium at Rs. 18.1 billion (US\$ 377 million)**
- ❑ **Profit of Rs. 3.7 billion (US\$ 77.7 million) in FY12 as against loss of Rs. 1.3 billion**
- ❑ **Nearly 70% of new individual business premium from traditional products**

- ❑ **Total funds under management at Rs. 187.7 billion (US \$ 3.7 billion)**
- ❑ **Capital infusion of Rs. 3.0 billion (US\$ 59 million) in FY12 - part of strategic stake sale to Nippon Life**
- ❑ **Total capital infused - Rs. 33.9 billion (US \$ 663 million)
- no more capital is required**

Financial performance

(Rs. million)

	Q4FY12	Q4FY11	Q3FY12	FY12	FY11
First year premium	5,868	6,748	3,125	14,364	22,846
Single premium	1,475	3,549	851	3,729	7,503
Total New business premium	7,343	10,297	3,976	18,093	30,349
Renewal Premium	12,318	13,045	7,804	36,883	35,362
Total premium (net of reinsurance)	19,587	23,282	11,732	54,702	65,479
Profit before tax	3,463	104	101	3,726	(1,293)
Total funds under management	187,666	178,553	165,549	187,666	178,553
Capital infused	-	-	3,000	3,000	1,200

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 may experience in short term
- Projections assume that we apply tax at the full rate of tax on profits/ losses arising

New business achieved profit (contd.)...

Economic assumptions

Particulars	Assumptions
Cash, Money market & TB	5.00%
Government securities	7.50%
Corporate bonds	8.50%
Equities	12.00%
Inflation	5.50%
Risk discount rate	12.50%
Tax rate	14.1625%

Sensitivity

(Rs. million)

Particulars	Base value	+ 1%	- 1%
Investment return	1,753.75	2,047.03	1,417.14
Risk discount rate	1,753.75	1,629.14	1,890.68

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

Further considerations

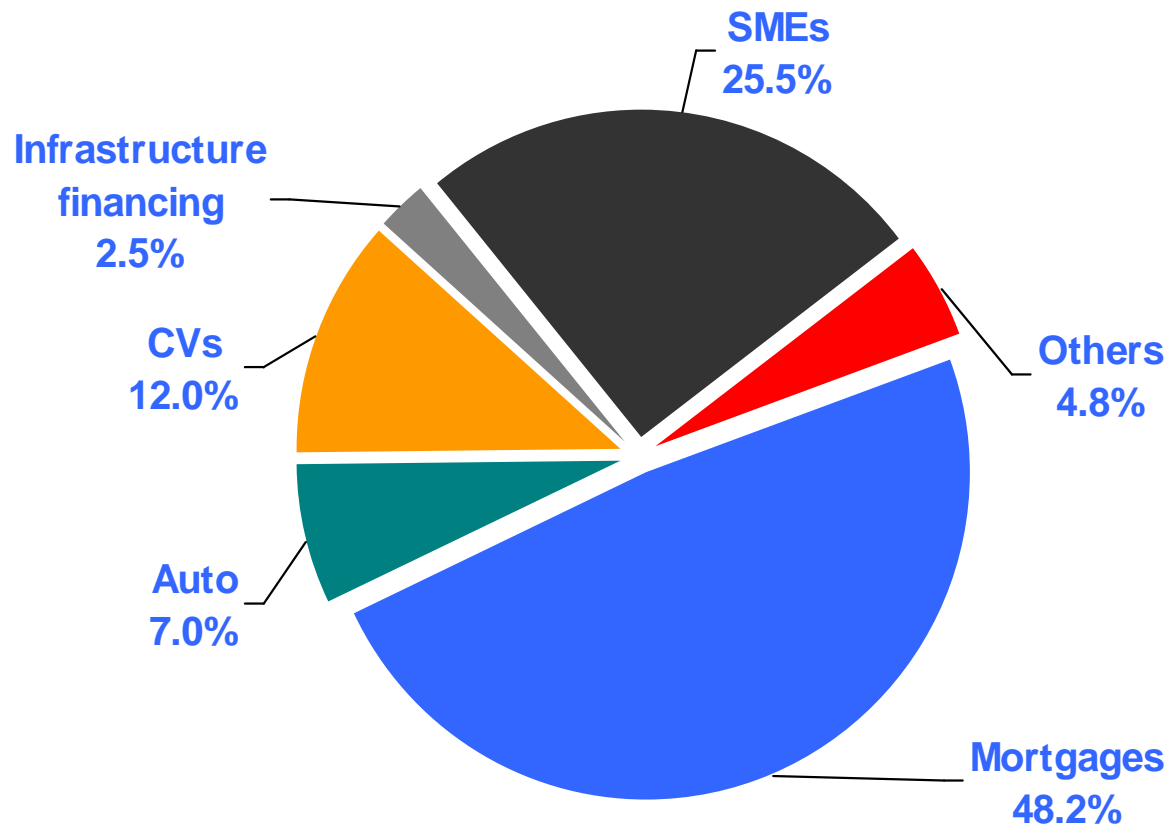
- NBAP reflects 95.71% of new annualized premium (with 10% weight to single premium and premium under group business) written in one year ended March 31, 2012
- Value from group business and rider business has been ignored The business lines represent 4.29% of the new annualized premium

NBAP for year ended March 31, 2012 - Rs. 1.8 billion (15.6%)

- ❑ **Amongst the leading lenders in the Indian NBFC sector**
- ❑ **Focus on secured lending and creating good quality loan portfolio**
- ❑ **Nearly 100% of book secured (97% as on March 31, 2011)**
- ❑ **10% YoY decline in disbursements at Rs. 79.4 billion (US\$ 1.6 billion)**

- ❑ **AUM of Rs. 151.0 billion (US\$ 3.0 billion) - 10% YoY growth**
- ❑ **Outstanding loan book at Rs. 132.6 billion (US\$ 2.6 billion) - YoY increase of 8%**
- ❑ **Securitization of Rs. 12.9 billion (US\$ 253 million) in FY12 as against Rs. 10.5 billion in FY11 - up 23%**
- ❑ **94,202 customers across 18 locations in India**

Loan Book Composition as on March 31, 2012



Financial performance

- **Total income at Rs. 19.5 billion (US\$ 406 million) - YoY increase of 42%**
- **Net Interest Income at Rs. 5.1 billion (US\$ 106 million)**
- **Profit before tax at Rs. 2.5 billion (US\$ 53 million), despite 87% increase in interest costs**
- **Cost to income ratio improved to 16% compared to 18% in FY11**
- **Average NIMs at 4.1% (5.3% in FY11)**

Financial performance

- **Average cost of borrowing at 11.5% (8.8% for FY11)**
- **Gross NPLs at Rs. 2.2 billion (US\$ 43 million), translating to 1.5% of outstanding AUM**
- **Coverage ratio (including write-offs) at 68%**

Financial performance

(Rs. million)

	Q4FY12	Q4FY11	Q3FY12	FY12	FY11
Disbursals	15,913	32,115	19,916	79,373	87,820
Net Interest Income	1,333	1,193	1,242	5,104	5,122
Total Income	5,569	4,129	4,992	19,450	13,741
Total expenses	772	619	764	3,150	2,516
Interest expenses	3,495	2,106	3,491	12,801	6,859
Provisions	547	476	86	963	1,672
Profit before tax	756	928	651	2,537	2,693

Broking businesses

- **Nearly 685,000 equity broking accounts - YoY increase of 3%**
- **Over 35,450 commodity broking accounts - YoY increase of 4%**
- **Daily average turnover on stock exchanges at Rs. 13 billion (US\$ 267 million)**
- **Daily average commodities broking turnover - Rs. 10 billion (US\$ 205 million) - YoY increase of 195%**

Broking businesses (contd.)...

- ❑ **Wealth Management AUM as on March 31, 2012 rose to Rs. 5.8 billion (US\$ 113 million) - YoY increase of 152%**

- ❑ **In investment banking**
 - ❑ **as Syndicate member, handled 2 issues in FY12, total amount mobilized - Rs. 790 million (US\$ 16 million)**

 - ❑ **IPO funding - Rs. 1.4 billion (US\$ 26 million)**

Broking businesses (contd.)...

Financial performance

(Rs. million)

	Q4FY12	Q4FY11	Q3FY12	FY12	FY11
Total Income	1,747	775	1,251	3,601	2,523
Total expenses	1,497	755	1,235	3,281	2,316
Profit before tax	200	20	17	320	208

- ❑ **Total income of Rs. 3.6 billion (US\$ 75 million) - YoY increase of 43%**
- ❑ **Profit before tax at Rs. 320 million (US\$ 7 million)**

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Money

- ❑ **Distribution business - branded as 'Reliance Money'**
- ❑ **Pan India presence with over 6,000 outlets**
- ❑ **Over 2.2 tons of gold sold - 54% YoY increase**
- ❑ **Largest private sector partner for Western Union Money Transfer in India**
 - ❑ **Over 2.2 million money transfer transactions in FY12 - YoY increase of 12%**

Financial performance

(Rs. million)

	Q4FY12	Q4FY11	Q3FY12	FY12	FY11
Total Income	353	162	337	1,060	585
Total expenses	251	136	252	826	461
Profit before tax	102	26	84	234	124

- ❑ **Total income of Rs. 1.1 billion (US\$ 22 million) - YoY increase of 81%**
- ❑ **Profit before tax of Rs. 234 million (US\$ 5 million) - YoY increase of 88%**

- ❑ **Amongst leading private sector general insurer with private sector market share of 8%**
- ❑ **Gross Written Premium at Rs. 17.1 billion (US\$ 357 million) - YoY increase of 3%**
- ❑ **Loss of Rs. 3.4 billion (US\$ 71 million), mainly on account of strengthening of the third party motor claims reserves**

- ❑ **Fresh capital infusion of Rs. 4.4 billion (US\$ 87 million) during the year**
- ❑ **Total capital infused - Rs. 15.9 billion (US\$ 311 million)**
- ❑ **Investment book of Rs. 27.02 billion (US\$ 528 million) - 26% YoY increase**
- ❑ **Over 2.6 million policies sold in FY12**
- ❑ **151 branches; over 6,500 intermediaries**

Financial performance

(Rs. million)

	Q4FY12	Q4FY11	Q3FY12	FY12	FY11
Gross Written Premium	4,185	4,373	3,998	17,125	16,554
Profit / (loss) before tax	(2,483)	(2,187)	(344)	(3,416)	(3,098)
Investment book	27,021	21,372	23,807	27,021	21,372
Combined ratio with pool	197%	164%	130%	145%	140%
No of policies issued	683,114	739,041	641,469	2,614,715	2,803,982

Sector - wise premium contribution

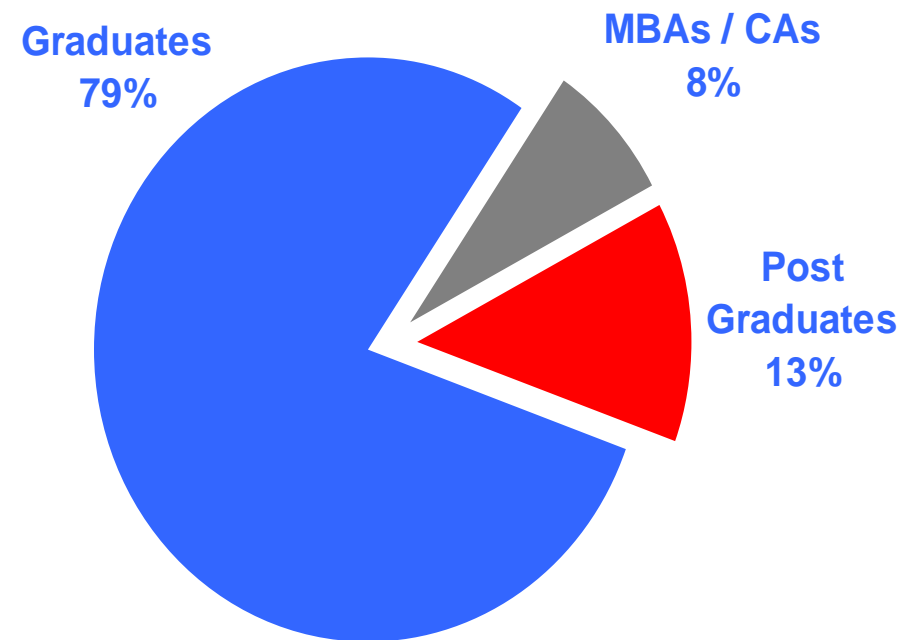
	FY12	FY11
Motor	66%	65%
Health	13%	15%
Fire & Engg.	12%	10%
Marine	2%	1%
Others	7%	9%
Total	100%	100%

- Optimizing portfolio mix
- Focus on commercial lines of business - GWP of Rs. 3.4 billion (US\$ 71 million) - YoY increase of 9%

Human Capital

- ❑ 17,109 employees
- ❑ 77% in Customer Facing roles
- ❑ Young workforce - Average Age of 36
- ❑ 21% Post Graduates & Professionals
- ❑ Nearly 1,900 Women Employees

Qualification profile



Shareholding pattern as on March 31, 2012

Category	No. of shares	Shareholding
Promoters	13,29,82,272	54.14%
Foreign investors - FIIs, GDRs, NRIs and others	5,36,10,688	21.83%
Domestic institutions / Banks / Mutual funds	1,31,67,909	5.36%
Indian public	4,58,71,931	18.67%
Total	24,56,32,800	100.0 %

Market cap. as on May 18, 2012 - Rs. 7,143 crore (US\$ 1.4 billion)

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Thank you

May 19, 2012

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