

# Results for the year ended March 31, 2009

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*Investor Presentation*  
*April 30, 2009*

# Agenda

- ❑ *Financial Performance*
- ❑ *Business Performance*
  - Reliance Asset Management
  - Reliance Life Insurance
  - Reliance Consumer Finance
  - Reliance Money
  - Reliance General Insurance
  - Finance & Investments
  - Update on new businesses
- ❑ *Shareholding pattern as on March 31, 2009*

## Performance Highlights – Consolidated

Financial year ended March 31, 2009

- ❑ Total Income of Rs. 59.8 billion (US \$ 1.3 billion), against Rs. 49.1 billion in the corresponding period, an increase of 22%
- ❑ Net Profit of Rs. 10.1 billion (US \$ 221 million), against Rs. 10.0 billion in the corresponding period, an increase of 1%
- ❑ Net worth of Rs. 75 billion (US \$ 1.5 billion) as on March 31, 2009 – an increase of 15% from previous year
- ❑ Total assets of Rs. 243 billion (US \$ 4.8 billion) as on March 31, 2009 – an increase of 32% from previous year

## Profit & Loss Highlights (Consolidated) –FY09

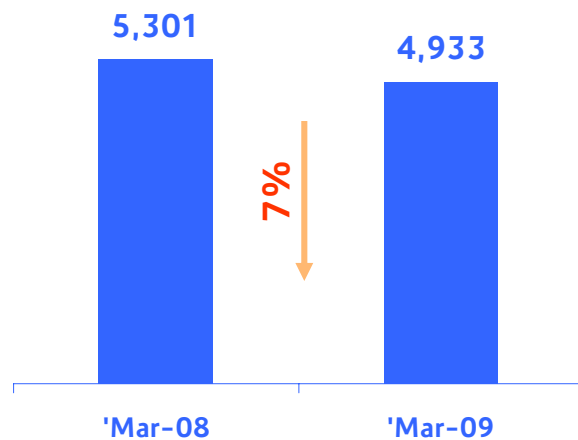
*(Rs. million)*

	Q4FY09	Q4FY08	FY09	FY08
Total income	15,468.8	16,347.1	59,760.9	49,139.9
Staff costs	1,329.4	1,494.9	5,540.7	4,032.2
Other expenditure	2,301.1	3,528.5	11,920.0	13,318.7
Reinsurance premium ceded	1,509.5	1,736.4	6,757.6	7,665.0
Claims incurred	3,148.2	3,053.8	10,728.9	7,506.8
Interest & financial charges	3,646.9	1,847.8	12,638.4	4,099.7
Depreciation	170.6	192.0	567.1	412.1
Profit before tax	3,684.2	4,493.7	12,041.5	12,157.4
Profit after tax	3,116.5	3,655.7	10,156.8	10,090.6
Diluted EPS (Rs.)	12.59	15.02	41.35	41.08

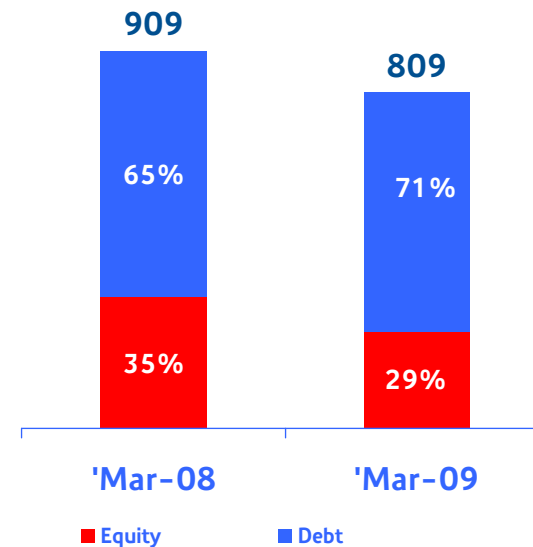
# RELIANCE Mutual Fund

India's no.1 Mutual Fund

AAUM - Industry (Rs. billion)



AAUM - RMF (Rs. billion)

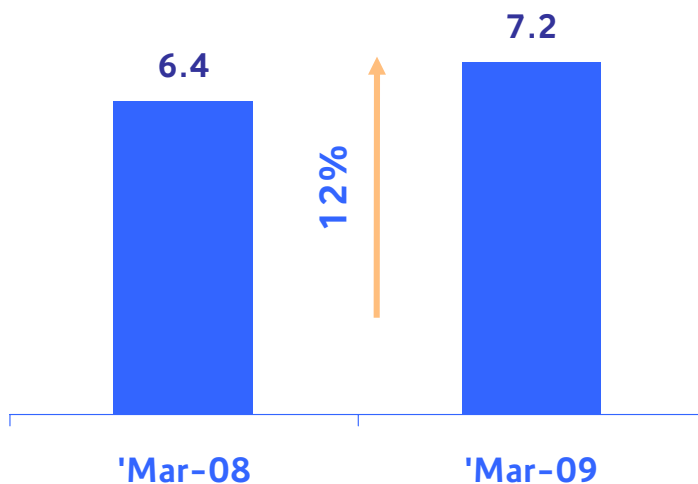


- **Decline in AAUM – in line with industry**
- **Maintains No. 1 position with market share of 16.4%**

# RELIANCE Mutual Fund

India's no.1 Mutual Fund

No. of investors (million)

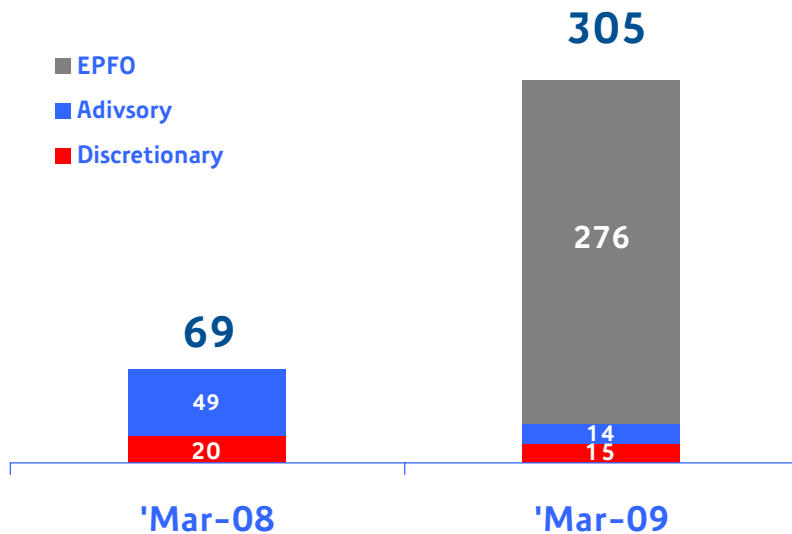


- **Over 1.2 million SIP investors**
- **'Most Trusted Mutual Fund' by AC Nielsen/ ORG MARG – for 3 consecutive years**
- **'Best Equity Fund House' for the year 2008 by Morningstar – global leader in financial research**

# Asset Management

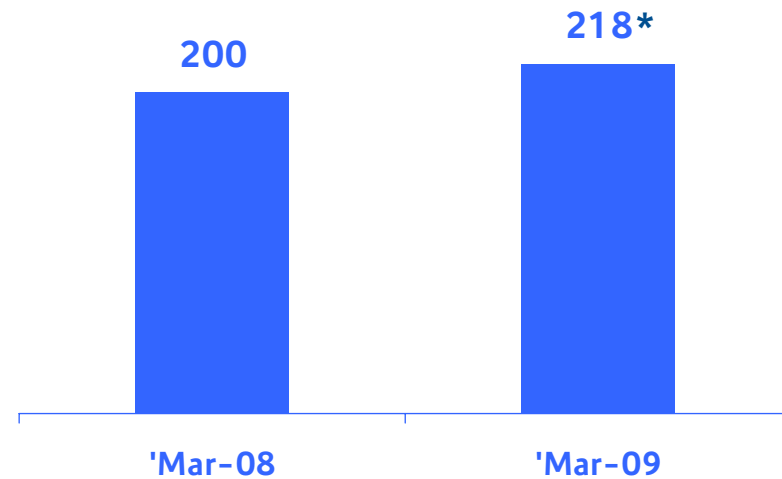
## Portfolio Management Services

AUM (Rs. billion)



## Offshore funds

AUM (US\$ million)



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

- **Only private sector asset manager to manage funds for both – EPFO & PFRDA**

## RCAM (consolidated) financial performance

*(Rs. Million)*

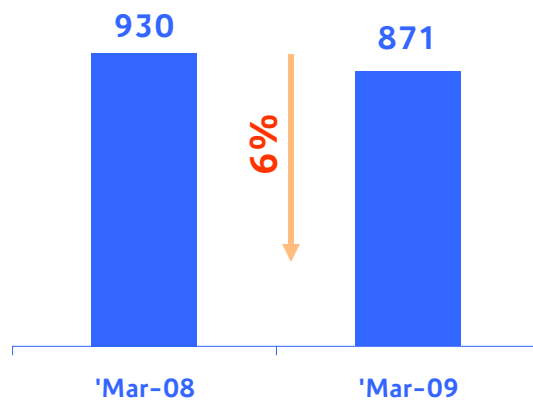
	Q4FY09	Q4FY08	FY09	FY08
Income	1,194.8	2,043.1	4,546.9	4,741.2
Personnel costs	328.6	318.8	1,205.7	901.6
Marketing expenses	91.7	281.1	619.2	1,059.6
Administration & other expenses	364.8	240.7	1,036.1	725.7
Profit before tax	409.8	1,203.8	1,685.8	2,054.3
Profit after tax	336.9	932.5	1,257.0	1,496.9

- Decrease in profits reflect lower average AUMs

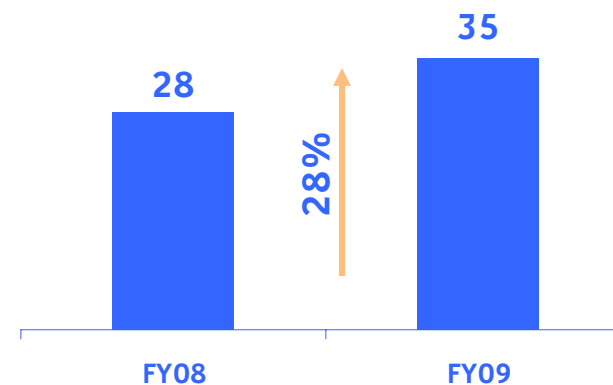


# RELIANCE Life Insurance

New Business Premium - Industry  
(Rs. billion)



New Business Premium - Reliance Life  
(Rs. billion)



- ❑ Maintained position amongst top 4 private sector Indian life insurers
- ❑ Gain in private sector market share YoY – from 8.1% to 10.3%
- ❑ 1,145 branches and 1,49,613 agents

# RELIANCE Life Insurance

## Financial performance

(Rs. Million)

	Q4FY09	Q4FY08	FY09	FY08
First year premium	10,197.8	7,794.9	29,657.4	18,439.8
Single premium	1,912.5	5,821.1	54,82.4	9,070.8
Total New business premium	12,110.4	13,615.9	35,139.8	27,510.6
Total premium	18,584.9	15,841.7	49,153.0	32,132.7
APE*	10,389.1	8,377.0	30,205.6	19,346.9
No of policies issued	864,439	500,291	2,219,273	107,3715
Avg premium/ policy (Rs)	13,165.5	22,827.5	15,059.0	21,800.6
Total funds under management	62,738.3	37,767.5	62,738.3	37,767.5

- Capital infusion in Q4 FY09 - Rs. 2.2 billion, till date Rs. 27.4 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 new business sales, based on a given set of assumptions

Actual experience may differ from these assumptions

### Basis of preparation

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 like mortality, morbidity & lapses - based industry and reinsures experience, using our operating experience where such experience is credible
- ❑ Expense assumptions - based on the Company's latest expense projection which reflects recent responses to lower growth environment. The chosen expense loadings are consistent with current pricing assumptions & represent the Company's most recent view of long term expense assumptions.
- ❑ No allowance has been made for any expense over runs that we would experience in the short term
- ❑ Projections assume that the Company pays tax at the full rate of tax, with no credit for existing tax losses

# 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 96.86% of new business written in FY09
- ❑ Value from group business and traditional business has been ignored. These two business lines represent 1.56% & 1.58% of annualized new business premium
- ❑ Value of one year's new business was determined by Reliance Life. Watson Wyatt performance a review of overall reasonableness of assumptions used, calculation methods (relative to a traditional deterministic embedded value approach) & reasonableness of results

❑ **NBAP for year ended Mar 31, 2009 – Rs. 6.2 billion (20.9%)**

### Sensitivity

(Rs. Million)

Particulars	Base value	+ 1%	- 1%
Investment income	6,195.8	6,507.6	5,903.9
Risk discount rate	6,195.8	5,597.8	6,853.7

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

## RELIANCE Consumer Finance

Type of Loan	Loan Book as on March 31, 2009 (Rs. Bn)	% of total	Loan Book as on March 31, 2008 (Rs. Bn)	% of total
Mortgages	30.5	36%	20.6	29%
Auto Loans	16.3	19%	13.5	19%
CV Loans	14.6	17%	12.6	18%
SME Loans	13.8	16%	13.7	19%
Personal Loans	10.6	12%	10.8	15%
<b>TOTAL</b>	<b>85.8</b>	<b>100%</b>	<b>71.2</b>	<b>100%</b>

- Brought down loan book from Rs. 95 billion to Rs. 86 billion in 6 months
- Brought down personal loan book from 15% to 12%

## RELIANCE Consumer Finance

### Financial performance

(Rs. Million)

	Q4FY09	Q4FY08	FY09	FY08
Interest Income	2,931.3	1,723.8	11,585.6	3,371.3
Other Income	38.0	226.9	416.3	574.6
Total Income	2,969.2	1,950.7	12,001.9	3,945.8
Personnel costs	211.6	374.8	903.4	629.3
Interest expenses	1,880.5	899.4	7,033.6	1,714.3
Other expenses	519.3	459.2	1,845.4	1,172.1
Provisions	343.3	65.4	1,308.0	69.0
Profit before tax	14.6	151.9	911.5	361.1

- YoY decrease in cost to income ratio from 81% to 55%
- Equity allocation of Rs. 13 billion including capitalization of two subsidiaries

## RELIANCE Money

- ❑ Over 10,000 outlets in 5,165 locations
- ❑ 3.3 million customers; 1 million broking accounts
- ❑ Daily average turnover on stock exchanges - Rs. 15 billion
- ❑ Tie up with Kuoni India – plans to retail forex products/ services through over 70 Kuoni outlets
- ❑ 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)

	Q4FY09	Q4FY08	FY09	FY08
Broking Income	378.9	580.6	1,761.7	1,112.0
Distribution Income	153.3	583.1	878.9	1,062.0
Other Income	252.9	63.7	879.9	211.0
Total Income	785.0	1,227.4	3,520.4	2,385.0
Sub brokerage	88.9	293.3	420.9	440.0
Personnel costs	302.9	180.9	1,150.1	602.0
Other expenses	449.6	601.9	1,368.7	1,342.0
Profit before tax	(56.4)	130.5	580.7	1.0
Profit after tax	(105.6)	130.5	367.5	1.0



## RELIANCE General Insurance

### Financial performance

(Rs. Million)

	Q4FY09	Q4FY08	FY09	FY08
Gross Written Premium	4,197.0	4,219.4	19,148.8	19,464.2
Net Written Premium	3,281.0	4,068.0	13,996.0	13,375.0
Net Earned Premium	3,541.0	3,409.0	13,889.0	9,600.0
Underwriting result (accounting)	(422.0)	(989.4)	(986.4)	(2,060.8)
Profit before tax	(296.7)	(893.4)	(501.7)	(1,628.4)
Investment book	13,639.7	13,107.3	13,639.7	13,107.3
Networth	6,316.0	4,938.5	6,316.0	4,938.5
Combined ratio (accounting)	121%	138%	114%	129%
No of policies issued	718,016	867,803	2,712,978	3,657,327
No of claims handled	190,433	80,466	535,489	321,820

- ❑ Brought down loss from Rs. 1.6 billion to Rs. 502 million
- ❑ Improved combined ratio – from 129% to 114%

# RELIANCE General Insurance

## Sector-wise premium contribution

	FY09	FY08
Motor	61%	65%
Health	16%	14%
Fire	7%	7%
Engineering	6%	5%
Others	10%	8%
<b>Total</b>	<b>100%</b>	<b>100%</b>

## Finance & Investments – standalone

*(Rs. Million)*

	Q4FY09	Q4FY08	FY09	FY08
Interest & finance income	1,583	1,814	5,610	5,087
Profit on sale (net) investments	3,875	4,228	11,777	11,233
Other income	374	0	753	532
<b>Total</b>	<b>5,832</b>	<b>6,042</b>	<b>18,140</b>	<b>16,852</b>
Profit before tax	3,623	4,213	9,865	11,593

## Update on new businesses

### ❑ Reliance Asset Reconstruction

- acquisition, management and resolution of distressed debt
- in Jan 2009, acquired two NPAs from Dena Bank for Rs 22 million

### ❑ Reliance Equities International

- institutional broking
- over 50 employees, 60 companies under research
- set up over 50 FII parent accounts and over 500 sub accounts

### ❑ Reliance Equity Advisors

- private equity fund - to commence operations in FY10

### ❑ Reliance Capital Services

- cross sell Reliance Capital products & services to internal customers of Reliance ADA Group
- more than 40,000 customers, 1,500 employees across 100 locations in India
- among top 3 distributors for Reliance General Insurance and among top 10 for Reliance Life Insurance

## Shareholding pattern as on March 31, 2009

Category	No. of shares	Shareholding
Reliance Anil Dhirubhai Ambani group	13,13,82,274	53.5%
Foreign investors – FIIs, GDRs, NRIs, and others	5,31,58,548	21.6%
Domestic institutions/ Banks / Mutual funds	1,00,24,858	4.1%
Indian public	5,10,67,120	20.8%
<b>Total</b>	<b>24,56,32,800</b>	<b>100.0%</b>

- Market cap as at April 29, 2009 – Rs. 129 billion (US\$ 2.5 billion)

**Thank you**

*April 30, 2009*