

Results for the quarter ended September 30, 2010

Investor Presentation

November 13, 2010

Agenda

- ❑ *Financial Performance*
- ❑ *Business Performance*
 - Reliance Asset Management
 - Reliance Life Insurance
 - Reliance Commercial Finance
 - Reliance Securities
 - Third party distribution - 'Reliance Money
 - Reliance General Insurance
- ❑ *Shareholding pattern as on September 30, 2010*

Performance Highlights – Consolidated

Quarter ended September 30, 2010

- ❑ Total Income of Rs. 13 billion (US \$ 280 million), against Rs. 15 billion – decrease of 11%
- ❑ Net Profit of Rs. 1.1 billion (US \$ 24 million), against Rs. 1.6 billion – decrease of 28%
- ❑ Decrease in total income and net profits mainly owing to lower capital gains and loss in general insurance
- ❑ Networth of Rs. 80 billion (US\$ 2 billion) as on September 30, 2010 – YoY increase of 3%
- ❑ Total assets of Rs. 301 billion (US\$ 7 billion) as on September 30, 2010 – YoY increase of 18%

P&L Highlights (Consolidated) – Q2 FY11

(Rs. million)

	Q2FY11	Q2FY10	Q1FY11	FY10
Total income	12,998	14,664	12,669	61,406
Staff costs	1,278	1,399	1,239	5,354
Other expenditure	2,972	3,420	3,147	13,909
Reinsurance premium ceded	1,467	1,705	1,881	7,272
Claims incurred	2,526	2,113	2,351	11,857
Interest & financial charges	3,397	3,608	2,944	13,324
Depreciation	119	154	128	676
Profit before tax	1,240	2,265	977	5,883
Profit after tax	1,120	1,558	770	4,345
Diluted EPS (Rs.)	4.03	6.34	3.13	17.63

Key businesses financial highlights – Q2 FY11

(Rs. million)

	Revenue	PBT
Asset Management	1,773	700
Consumer Finance	3,171	610
Broking & distribution	447	77
General Insurance	3,707 ⁺	(282)
Life Insurance	15,739 [*]	216 ^{**}

- ❑ Core businesses increase their contribution in earnings mix
- ❑ Nearly 90% of PBT from core businesses v/s 41% in Q2 FY10
- ❑ Major operating business profits at Rs. 1.4 billion (US\$ 30 million) – 51% YoY increase

⁺ - Gross Written Premium

^{*} - Total Premium

^{**} - NBAP for six months ended September 30, 2010

Reliance Capital Asset Management (RCAM)

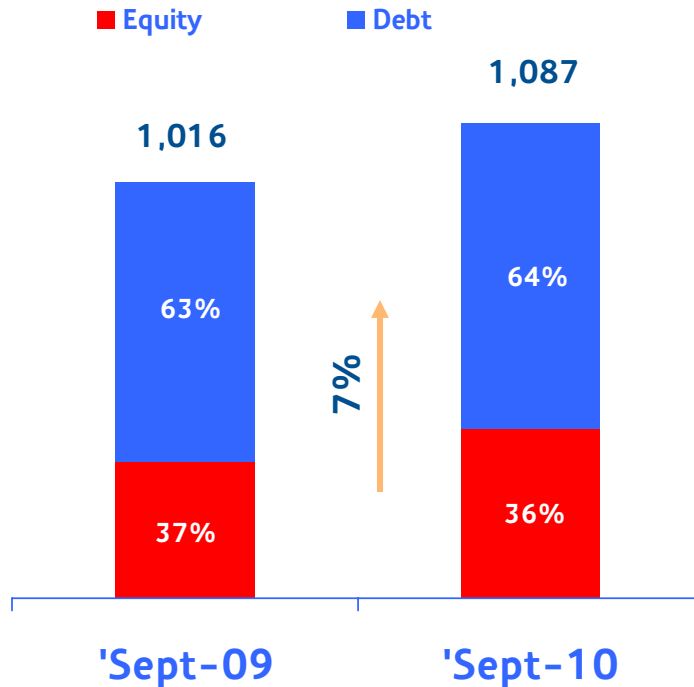


- **Managed Rs. 1.5 trillion (US \$ 34 billion)**
– 11% YoY increase across:
 - mutual funds – Rs. 1,087 billion (US\$ 24 billion)
 - pension funds – Rs. 386 billion (US\$ 9 billion)
 - managed accounts – Rs. 22 billion (US\$ 487 million) and
 - hedge funds – Rs. 13 billion (US\$ 284 million)
- **Wide distribution network – presence in 270 cities & over 75,000 touch points**

RELIANCE Mutual Fund

India's no.1 Mutual Fund

AUM - RMF (Rs. billion)



- India's No 1 mutual fund
- Market share of over 15%
- 7.2 million investor folios – over 15% market share
- Over 1.3 million SIP accounts – 40% YoY increase
- Adding 100,000 SIPs every month

RCAM Achievements in Q2 FY11

- High focus on Retail – Long term debt increased to 15.5% of AUM from 2.6% in September 2009
- Raised Rs. 1.7 billion (US\$ 36 million) in newly launched Reliance Emergent India Fund
- Reliance Small Cap Fund registered over 65,000 SIP accounts – amongst highest number to be achieved by MF NFOs in India
- RMF voted as 'The Gold Most Trusted Brand' at 12th Annual Reader's Digest Trusted Brand Awards in the investment category – 3 times in a row

RCAM (consolidated) financial performance

(Rs. million)

	Q2 FY11	Q2 FY10	FY10
Income	1,773	1,560	6,817
Expenses	1,073	911	4,137
Profit before tax	700	648	2,680

- ❑ Total income - YoY increase of 14%
- ❑ Profit before tax - YoY increase of 8%
- ❑ Focus on retail across all asset classes, improved RMF profitability to AAUM to 30 bps despite challenging regulatory environment in Indian mutual fund industry

RELIANCE Life Insurance

- Amongst leading private sector life insurers – private sector market share of 8.5% in terms of new business premium
- Sold highest number of policies sold in private sector; sold over 616,000 policies – 24% YoY growth
- 1,248 branches
- 213,504 agents – 15% YoY increase

RELIANCE Life Insurance

- Total premium at Rs. 15.7 billion (US\$ 338 million)
– YoY increase of 25%
- Renewal premium at Rs. 7.8 billion (US\$ 168 million) – YoY increase of 49%
- New business premium at Rs. 8.1 billion (US\$ 173 million) – YoY increase of 8%

RELIANCE Life Insurance

Financial performance

(Rs. million)

	Q2 FY11	Q2 FY10	FY10
First year premium	6,787	7,032	36,302
Single premium	1,276	410	2,906
Total New business premium (NBP)	8,062	7,442	39,208
Renewal Premium	7,791	5,232	26,841
Reinsurance Premium paid	(114)	(64)	(166)
Total premium	15,739	12,610	65,883

RELIANCE Life Insurance

- ❑ Total funds under management at Rs. 165 billion (US \$ 4 billion) – YoY increase of 61%
- ❑ Capital infusion at Rs. 500 million (US \$ 11 million) – 23% YoY decrease
- ❑ Total capital infused till date – Rs. 30.9 billion (US \$ 689 million)
- ❑ NBAP* at Rs. 2.2 billion (US \$ 47 million); margin at 17.9%, despite change in regulations

** - for half year ended September 30, 2010*

RELIANCE Life Insurance

(Rs. Million)

Financial performance

	Q2 FY11	Q2 FY10	FY10
Total funds under management	165,546	102,835	136,608
No of policies issued	616,022	495,560	2,326,154
Avg premium/ policy (Rs) (Individual business)	12,139	13,665	14,569
Avg tenure of policies issued	15.1	14.8	14.5
Capital infused	500	650	2,310

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 98.01% of new business written in half year ended September 30, 2010
 - ❑ Value from part of traditional business and part of group business has been ignored. These two business lines represent 1.68% & 0.30% respectively of annualized new business premium
- ❑ **NBAP for half year ended Sept 30, 2010 – Rs. 2.2 billion (17.9%)**

Sensitivity

(Rs. Million)

Particulars	Base value	+ 1%	- 1%
Investment income	2,157.3	2,300.5	2,023.8
Risk discount rate	2,157.3	1,941.8	2,397.8

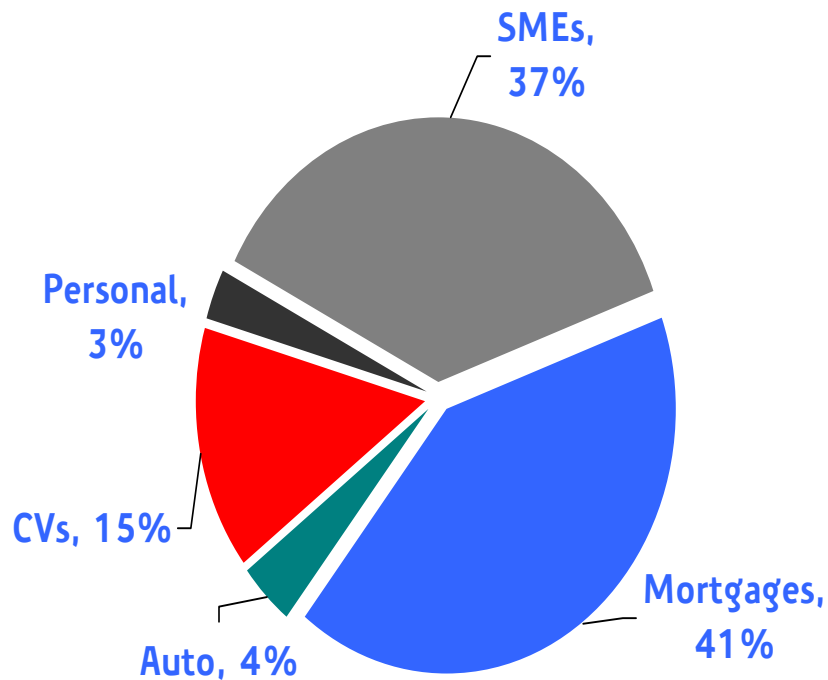
- ❑ Investment return sensitivity considers a change in assumed rate of growth for unit linked funds, assumed rate of investments on non unit cash flows & reserves and on assets supporting solvency margin, & a change in rate of expense inflation

RELIANCE Commercial Finance

- ❑ Amongst leading lenders in Indian non banking finance sector
- ❑ 43% YoY increase in disbursements at Rs. 20 billion (US\$ 420 million)
- ❑ Focus on secured lending and creating good quality loan portfolio
- ❑ Disbursals only in secured asset backed loans and winding down unsecured loan portfolio
- ❑ 93% of book secured v/s 78% as on September 30, 2009
- ❑ Brought down personal loan book from 10% to 3% YoY

RELIANCE Commercial Finance

Loan Book Composition as on September 30, 2010



- **AUM – Rs. 120 billion (US\$ 3 billion) – 34% YoY growth**
- **Outstanding loan book at Rs. 100 billion (US\$ 2 billion) – YoY increase of 21%**
- **Securitization of Rs. 4.4 billion (US\$ 94 million) in Q2 FY11**
- **119,304 customers**
- **Presence in 16 locations across India**

RELIANCE Commercial Finance Financial performance

- **Net Interest Income at Rs. 1.3 billion (US\$ 28 million) – YoY increase of 28%**
- **Profit before tax at Rs. 610 million (US\$ 13 million) – YoY increase of 168%**
- **Cost to income ratio at 20%**

RELIANCE Commercial Finance Financial performance

- Average NIMs at 5.8% based on capital adequacy of 17%
- Average cost of borrowing at 8.4%
- 52% YoY decline in Gross NPLs at Rs. 2.5 billion (US\$ 53 million)
- Provisioning till date of Rs. 882 million (US\$ 19 million)
- Coverage ratio – 72%

RELIANCE Commercial Finance

Financial performance

(Rs. Million)

	Q2 FY11	Q2 FY10	FY10
Net Interest Income	1,317	1,027	4,595
Interest Income	2,812	2,759	10,725
Other Income	308	687	2,527
Total Income	3,120	3,446	13,252
Personnel costs	215	221	916
Interest expenses	1,495	1,732	6,130
Other expenses	394	551	2,097
Provisions	406	715	2,759
Profit before tax	610	228	1,350

RELIANCE Commercial Finance Secured loan book – financial performance

- ❑ Outstanding secured loan book at Rs. 93 billion (US\$ 2 billion) – YoY increase of 42%
- ❑ Net Interest Income at Rs. 1.1 billion (US\$ 24 million)
 - YoY increase of 63%
- ❑ Profit before tax of Rs. 770 million (US\$ 17 million)
 - YoY increase of 6%

RELIANCE Commercial Finance Secured loan book – financial performance

(Rs. Million.)

	Q2 FY11	Q2 FY10	FY10
Net Interest Income	1,123	690	3,290
Interest Income	2,489	2,040	8,149
Other Income	286	647	2,404
Total Income	2,776	2,687	10,553
Personnel costs	188	152	677
Interest expenses	1,366	1,351	4,859
Other expenses	323	403	1,519
Provisions	129	58	420
Profit before tax	770	724	3,078

RELIANCE Commercial Finance **Unsecured loan book**

- ❑ **Outstanding unsecured loan book at Rs. 7 billion (US\$ 154 million) – 60% YoY decline**
- ❑ **De-emphasize unsecured lending**
- ❑ **68% YoY decrease in losses at Rs. 160 million (US\$ 3 million)**
- ❑ **Provisioning of Rs. 278 million (US\$ 6 million) – 58% YoY decline**

Unsecured loan book

Financial performance

(Rs. Million)

	Q2 FY11	Q2 FY10	FY10
Net Interest Income	194	337	1,305
Interest Income	323	719	2,575
Other Income	21	41	123
Total Income	344	760	2,698
Personnel costs	27	69	239
Interest expenses	129	382	1,271
Other expenses	71	148	577
Provisions	278	657	2,339
Profit before tax	(160)	(496)	(1,728)

RELIANCE Securities

- ❑ One of India's leading retail broking houses
- ❑ Multiple access points to ensure effective, anytime – anywhere transactions
- ❑ Pan India presence with over 6,100 outlets
- ❑ Focus on broking, wealth management and investment banking

RELIANCE Securities

Broking:

- ❑ Focus on equity broking, commodities, and derivatives
- ❑ 646,000 broking accounts
- ❑ Daily average turnover on stock exchanges at Rs. 15 billion (US\$ 323 million)
- ❑ Daily average commodities broking turnover at Rs. 2.5 billion (US\$ 53 million)
- ❑ Broking yields at 2.5 bps from 1.7 in Q1FY11 – 47% QoQ increase

RELIANCE Securities

Wealth Management

- Address financial needs & create investment opportunities for HNIs and retail investors
 - AUM as on September 30, 2010 increased to Rs. 1.2 billion (US\$ 26 million) – YoY increase of 55%

RELIANCE Securities

Investment Banking

- ❑ Address capital requirements of an enterprise through IPOs, private placements, bond offerings, M&A etc
- ❑ As Syndicate member, handled 3 issues in H1 FY11; total amount mobilized – Rs. 5.9 billion (US\$ 129 million)
- ❑ IPO funding in H1 FY11 – Rs. 7.6 billion (US\$ 165 million)

RELIANCE Securities

Financial performance

- Total income of Rs. 361 million (US\$ 8 million) as against Rs. 327 million in Q1 FY11 – 10% QoQ increase
- Profit before tax of Rs. 52 million (US\$ 1 million) – 45% QoQ increase
- Focus on profitable growth across each line of business

RELIANCE Securities

Financial performance

(Rs. Million)

	Q2 FY11	Q2 FY10	Q1 FY11	FY10
Total Income	361	475	327	2,151
Sub brokerage	49	21	56	182
Personnel costs	110	205	118	906
Other expenses	150	206	118	788
Profit before tax	52	42	36	275

RELIANCE Money

Third party Distribution – branded as 'Reliance Money'

- ❑ **Manufacturer agnostic**
- ❑ **Pan India presence with over 6,100 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 214 kilos of gold sold – 228% YoY increase**
- ❑ **Largest private sector partner for Western Union Money Transfer in India - over 520,000 money transfer**

RELIANCE Money

Financial performance

- Total income of Rs. 86 million (US\$ 2 million) as against Rs. 63 million in Q1 FY11 – 36% QoQ increase
- Profit before tax of Rs. 25 million (US\$ 1 million)
- Significant improvement in profit margins to 29% in Q2FY11
- Focus on profitable growth across each line of business

RELIANCE Money

Financial performance

(Rs. Million)

	Q2 FY11	Q2 FY10	Q1 FY11	FY10
Total Income	86	134	63	434
Sub brokerage	52	18	38	49
Personnel costs	6	49	15	86
Other expenses	3	65	12	425
Profit before tax	25	2	(2)	(126)

RELIANCE General Insurance

- ❑ Amongst leading private sector general insurer with private sector market share of 9.4%
- ❑ Gross Written Premium at Rs. 3.7 billion (US\$ 80 million) – QoQ decrease of 14%
- ❑ Brought down loss to Rs. 282 million (US\$ 6 million) from Rs. 386 million in Q1 FY11
- ❑ Combined ratio (with third party motor pool) – 118% vs 124% in Q1 FY11
- ❑ Thrust continues to be on writing profitable business and improving combined ratio

RELIANCE General Insurance

- ❑ High combined ratio and loss on account of high claims from health portfolio
- ❑ Re-priced health products post IRDA approval
- ❑ Significantly reduced exposure to unprofitable Group Mediclaim products
- ❑ These steps have enabled RGI to improve combined ratio & reduce losses in Q2FY11

RELIANCE General Insurance

- ❑ Capital infusion of Rs. 470 million (US\$ 10 million)
- ❑ Total capital infused till date – Rs. 11.5 billion (US\$ 256 million)
- ❑ Investment book of Rs. 20 billion (US\$ 436 million) – 34% YoY increase
- ❑ 1.4 million policies sold in Q2 FY11
- ❑ 200 branches; 4,245 intermediaries

RELIANCE General Insurance

Financial performance

(Rs. Million)

	Q2 FY11	Q2 FY10	Q1 FY11	FY10
Gross Written Premium	3,707	4,881	4,293	19,797
Profit before tax	(282)	1	(386)	(905)
Investment book	19,603	14,593	19,972	16,567
Combined ratio with pool	118%	111%	124%	117%
No of policies issued	1,381,366	1,659,987	730,350	3,336,573

RELIANCE General Insurance

Sector-wise premium contribution

	Q2 FY11	Q2 FY10	FY10
Motor	58%	66%	67%
Health	16%	12%	12%
Fire	8%	9%	7%
Engineering	3%	4%	5%
Others	15%	9%	10%
Total	100%	100%	100%

Shareholding pattern as on September 30,2010

Category	No. of shares	Shareholding
Reliance Anil Dhirubhai Ambani group	132,682,274	54.5%
Foreign investors – FIIs, GDRs, NRIs, and others	57,795,435	23.5%
Domestic institutions/ Banks / Mutual funds	12,179,494	5.0%
Indian public	42,975,597	17.0%
Total	245,632,800	100.0 %

- Market cap. as on November 12, 2010 – Rs. 193 billion (US\$ 4.3 billion)

Thank you

November 13, 2010