

## Results for the quarter ended June 30, 2011

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*Investor Presentation*

*August 13, 2011*

# Agenda

RELIANCE

- ❑ *Financial Performance*
- ❑ *Business Performance*
  - Reliance Capital Asset Management
  - Reliance Life Insurance
  - Reliance Commercial Finance
  - Broking businesses
  - Distribution business - Reliance Money
  - Reliance General Insurance
- ❑ *Shareholding pattern as on June 30, 2011*

## Performance Highlights – Consolidated Quarter ended June 30, 2011

- Total Income of Rs. 15 billion (US \$ 334 million), against Rs. 13 billion– increase of 18%
- Net Profit of Rs. 348 million (US \$ 8 million), against Rs. 770 million– decrease of 55%, mainly on account of high interest rate environment
- Networth of Rs. 78 billion (US\$ 2 billion) as on June 30, 2011
- Total assets of Rs. 324 billion (US\$ 7 billion) as on June 30, 2011 – YoY increase of 19%

## P&L Highlights (consolidated) – Q1FY12

(Rs. million)

	Q1FY12	Q1FY11	FY11
<b>Total income</b>	<b>14,921</b>	<b>12,669</b>	<b>54,985</b>
<b>Staff costs</b>	<b>1,306</b>	<b>1,239</b>	<b>4,968</b>
<b>Other expenditure</b>	<b>3,138</b>	<b>3,147</b>	<b>12,036</b>
<b>Reinsurance premium ceded</b>	<b>2,300</b>	<b>1,881</b>	<b>6,635</b>
<b>Claims incurred</b>	<b>2,302</b>	<b>2,351</b>	<b>13,314</b>
<b>Interest &amp; financial charges</b>	<b>5,130</b>	<b>2,944</b>	<b>14,620</b>
<b>Depreciation</b>	<b>120</b>	<b>128</b>	<b>500</b>
<b>Profit before tax</b>	<b>625</b>	<b>977</b>	<b>2,912</b>
<b>Profit after tax</b>	<b>348</b>	<b>770</b>	<b>2,912</b>
<b>Diluted EPS (Rs.)</b>	<b>1.42</b>	<b>3.13</b>	<b>11.85</b>

## Financial highlights of major businesses – Q1FY12

(Rs. million)

	Revenue	Q1 FY12 PBT	Q1 FY11 PBT	% change
Life Insurance	10,749*	79	(1,218)	-
General Insurance	5,248**	(301)	(386)	22
Commercial Finance	4,178	583	362	61
Asset Management	1,674	709	577	23
Broking & distribution	488	57	34	70

- Operating profits from major businesses<sup>+</sup> at Rs. 1 billion (US\$ 23 million) – 78% YoY increase

\*- Total premium for quarter ended June 30, 2011

\*\* - Gross Written premium for the quarter ended June 30, 2011

+ - Except Life Insurance, as it is not consolidated

## Reliance Capital Asset Management (RCAM)

- Managed over Rs. 1.0 trillion (US \$ 23.3 billion) across:
  - mutual funds – Rs. 1,013 billion\* (US\$ 22.6 billion)
  - managed accounts – Rs. 17 billion (US\$ 379 million) and
  - hedge funds – Rs. 12 billion (US\$ 264 million)
- Wide distribution network – presence in over 265 branches across India

\* - AAUM for the quarter ended June 30, 2011

## Reliance Capital Asset Management (RCAM)

- Re-appointed as one of asset managers by Employee Provident Fund Organization, to manage PF corpus for the next 3 years from September 2011
  - Will manage 20% of over Rs. 3.5 trillion (US\$ 78 billion) of EPFO fund
- Extended its product and service offerings on advanced technology platform – INVEST EASY
  - INVEST EASY – facilitates transactions via internet, mobile & IVR (call center)
  - Reduce cost per transaction enhancing business efficiencies
  - Non individual investors like institutions, companies, societies, trusts etc can transact online – a first in the industry

## RELIANCE

## Mutual Fund

India's no.1 Mutual Fund

- India's No 1 mutual fund with market share of 13.6%
- Average assets under management at Rs. 1,013 billion  
(US\$ 23 billion)
- Over 2 million SIP & STP accounts – highest in industry – 52%  
YoY increase
- Retail gold fund (launched in Feb 2011) crossed Rs. 13 billion  
(US\$ 291 million) in AUM
- 45 schemes – 21 equity, 21 debt, 2 ETFs and 1 Fund of Funds



## RCAM (consolidated) financial performance

(Rs. Million)

	Q1FY12	Q1FY11	Q4FY11	FY11
Income	1,674	1,642	2,058	7,330
Expenses	966	1,064	1,306	4,387
Profit before tax	709	577	752	2,943

- ❑ Total income – YoY increase of 2%
- ❑ Profit after tax – YoY increase of 23%
- ❑ Focus on retail long term debt, leaner cost of operations and higher yield products, improved PBT margins to 42% in Q1FY12 from 35% in Q1FY11

- ❑ **Amongst leading private sector life insurers – private sector market share of 5.3% in terms of new business premium**
- ❑ **Over 5 million policies in force**
- ❑ **Wide distribution network across India with 1,252 offices**
- ❑ **177,747 agents – YoY decline of 11% , in line with focus on productivity and performance of agents**

- ❑ **Total premium at Rs. 11 billion (US\$ 240 million)**
- ❑ **Renewal premium at Rs. 8.2 billion (US\$ 182 million)**  
**– YoY increase of 37%**
- ❑ **New business premium at Rs. 2.6 billion (US\$ 59 million)**
- ❑ **Achieved profit of nearly Rs. 80 million (US\$ 2 million) against loss of Rs. 1.2 billion in Q1 FY11**

- ❑ **37% decline in operating costs (excluding commission) at Rs. 2.9 billion (US\$ 64 million)**
- ❑ **Total funds under management at Rs. 177 billion (US \$ 4 billion) – 23% YoY increase**
- ❑ **No capital infusion for 3<sup>rd</sup> consecutive quarter**
- ❑ **Total capital infused till date – Rs. 31 billion (US \$ 692 million)**

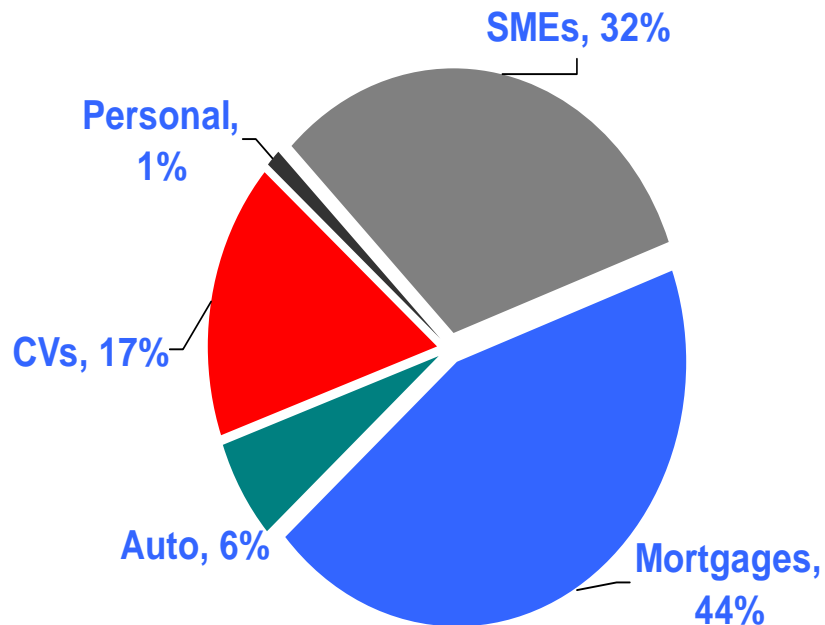
## Financial performance

(Rs. million)

	Q1FY12	Q1FY11	FY11
First year premium	2,317	5,630	22,846
Single premium	313	422	7,503
Total New business premium	2,630	6,053	30,349
Renewal Premium	8,161	5,956	35,362
Total premium (net of reinsurance)	10,749	11,976	65,479
Profit before tax	79	(1,218)	(1,293)
Operating costs (excl commission)	2,871	4,554	15,640
Total funds under management	177,353	144,232	178,553
Capital infused	-	700	1,200

- Amongst leading lenders in Indian non banking finance sector
- Focus on secured lending and creating good quality loan portfolio
- 98% of book secured vs 90% as on June 30, 2010
- 58% YoY increase in disbursements at Rs. 20 billion (US\$ 449 million)

Loan Book Composition as on June 30, 2011



- ❑ AUM – Rs. 143 billion (US\$ 3 billion) – 28% YoY growth
- ❑ Outstanding loan book at Rs. 130 billion (US\$ 2.9 billion) – YoY increase of 42%
- ❑ No securitization in Q1 FY12
- ❑ 105,248 customers across 18 locations in India

**Financial performance**

- **Total income at Rs. 4.2 billion (US\$ 93 million)**  
– YoY increase of 38%
- **Net Interest Income at Rs. 1.2 billion (US\$ 27 million)**  
– QoQ increase of 2%
- **Profit before tax at Rs. 583 million (US\$ 13 million)**  
– YoY increase of 61%
- **Cost to income ratio decreased to 19% from 23%**
- **Average NIMs at 4.3%**



## Financial performance

- Average cost of borrowing at 10.3% as against 8.3% for Q1 FY11
- 44% YoY decline in Gross NPLs at Rs. 1.5 billion (US\$ 34 million)
- 74% YoY decrease in provisioning (including write-offs) at Rs. 132 million (US\$ 3 million)
- Coverage ratio (including write-offs) – 82% as compared to 69% in Q1 FY11

Commercial Finance  
**Financial performance**

(Rs. Million)

	Q1 FY12	Q1 FY11	Q4 FY11	FY11
<b>Disbursals</b>	<b>20,100</b>	<b>12,746</b>	<b>32,115</b>	<b>87,820</b>
<b>Net Interest Income</b>	<b>1,215</b>	<b>1,258</b>	<b>1,193</b>	<b>5,122</b>
<b>Total Income</b>	<b>4,178</b>	<b>3,034</b>	<b>3,756</b>	<b>13,368</b>
<b>Total expenses</b>	<b>789</b>	<b>684</b>	<b>619</b>	<b>2,516</b>
<b>Interest expenses</b>	<b>2,673</b>	<b>1,473</b>	<b>2,106</b>	<b>6,859</b>
<b>Provisions</b>	<b>133</b>	<b>514</b>	<b>103</b>	<b>1,299</b>
<b>Profit before tax</b>	<b>583</b>	<b>362</b>	<b>928</b>	<b>2,693</b>

## Broking businesses

- ❑ One of India's leading retail equity and commodities broking houses
- ❑ Pan India presence with over 6,600 outlets
- ❑ Focus on equity and commodity broking, wealth management and investment banking
- ❑ 666,997 equity broking accounts – YoY increase of 4%
- ❑ 36,500 commodity broking accounts – YoY increase of 14%
- ❑ Daily average turnover on stock exchanges at Rs. 12 billion (US\$ 268 million)
- ❑ Daily average commodities broking turnover over Rs. 6 billion (US\$ 134 million)

## Broking businesses contd...

- **Wealth Management AUM as on June 30, 2011 increased to Rs. 2.3 billion (US\$ 52 million) – YoY increase of 141%**
  
- **In investment banking**
  - **As Syndicate member, handled one issue in Q1 FY12, total amount mobilized – Rs. 430 million (US\$ 10 million)**
  
  - **IPO funding – Rs. 160 million (US\$ 4 million)**

## Broking businesses contd...

### Financial performance

(Rs. Million)

	Q1 FY12	Q1 FY11	Q4 FY11	FY11
<b>Total Income</b>	<b>332</b>	<b>327</b>	<b>570</b>	<b>1,649</b>
<b>Sub brokerage</b>	<b>61</b>	<b>56</b>	<b>92</b>	<b>252</b>
<b>Personnel costs</b>	<b>151</b>	<b>118</b>	<b>149</b>	<b>512</b>
<b>Other expenses</b>	<b>90</b>	<b>123</b>	<b>228</b>	<b>665</b>
<b>Profit before tax</b>	<b>30</b>	<b>31</b>	<b>101</b>	<b>221</b>

- **Total income of Rs. 332 million (US\$ 7 million) – YoY increase of 2% despite decrease in average daily turnover, reflecting better yields**
- **Profit before tax of Rs. 30 million (US\$ 1 million)**

## RELIANCE

## Money

- ❑ **Distribution business – branded as ‘Reliance Money’**
- ❑ **Manufacturer agnostic**
- ❑ **Pan India presence with over 6,600 outlets**
- ❑ **Distributor of mutual funds, life & general insurance products, loans, precious metal retailing and premium products**
- ❑ **434 kilos of gold sold – 258% YoY increase**
- ❑ **Largest private sector partner for Western Union Money Transfer in India - over 500,000 money transfer transactions in Q1FY12 – YoY increase of 14%**
- ❑ **Mutual fund AUM collected - over Rs. 62 billion (US\$ 1.4 billion) – 42% YoY increase**

## Financial performance

(Rs. Million)

	Q1FY12	Q1FY11	Q4FY11	FY11
<b>Total Income</b>	<b>156</b>	<b>63</b>	<b>162</b>	<b>585</b>
<b>Sub brokerage</b>	<b>25</b>	<b>38</b>	<b>83</b>	<b>267</b>
<b>Personnel costs</b>	<b>33</b>	<b>15</b>	<b>18</b>	<b>70</b>
<b>Other expenses</b>	<b>71</b>	<b>7</b>	<b>36</b>	<b>124</b>
<b>Profit before tax</b>	<b>27</b>	<b>3</b>	<b>26</b>	<b>124</b>

- Total income of Rs. 156 million (US\$ 3 million) – YoY increase of 147%
- Profit before tax of Rs. 27 million (US\$ 1 million) – YoY increase of over 860%
- Focus on higher margin products significantly improved PBT margin to 17% from 4% in Q1FY11

- ❑ Amongst leading private sector general insurer with private sector market share of 9.4%
- ❑ Gross Written Premium at Rs. 5.2 billion (US\$ 117 million) – YoY increase of 22%
- ❑ 22% YoY decline in loss at Rs. 301 million (US\$ 7 million)
- ❑ Combined ratio (including 3<sup>rd</sup> party motor pool) at 130%
  - ❑ 5% YoY increase on account of increase in provisioning for third party commercial motor pool losses



- ❑ **Capital of Rs. 1 billion (US\$ 22 million) infused in Q1 FY12**
- ❑ **Total capital infused till date – Rs. 12.5 billion (US\$ 279 million)**
- ❑ **Investment book of Rs. 23 billion (US\$ 525 million) – 18% YoY increase**
- ❑ **6,85,383 policies sold in Q1FY12**
- ❑ **181 branches; over 4,300 intermediaries**

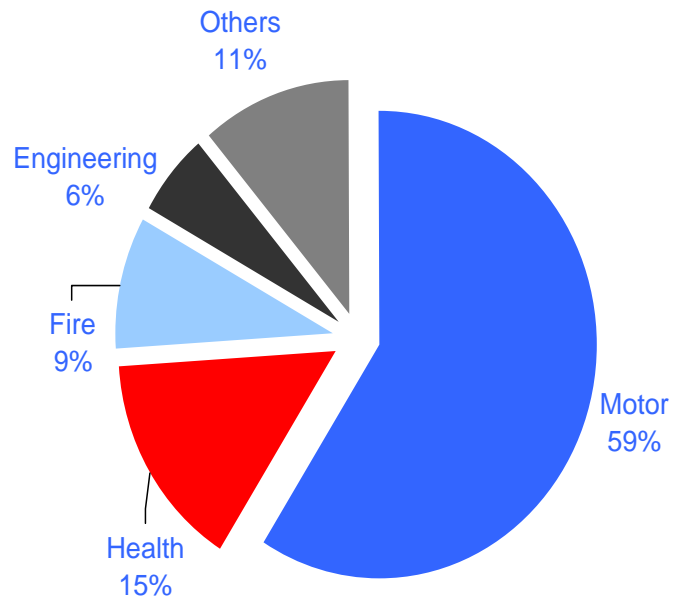
## Financial performance

(Rs. Million)

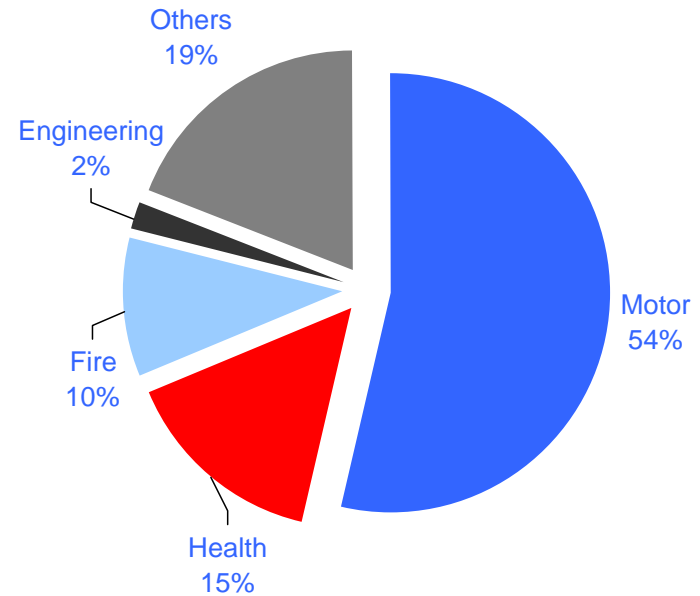
	Q1FY12	Q1FY11	Q4FY11	FY11
<b>Gross Written Premium</b>	<b>5,248</b>	<b>4,293</b>	<b>4,373</b>	<b>16,554</b>
<b>Profit before tax</b>	<b>(301)</b>	<b>(386)</b>	<b>(2,207)</b>	<b>(3,116)</b>
<b>Investment book</b>	<b>23,497</b>	<b>19,972</b>	<b>21,372</b>	<b>21,372</b>
<b>Combined ratio with pool</b>	<b>130%</b>	<b>124%</b>	<b>163%</b>	<b>136%</b>
<b>No of policies issued</b>	<b>685,383</b>	<b>730,350</b>	<b>739,041</b>	<b>2,803,982</b>

Sector – wise premium contribution

Q1FY12



Q1FY11



## Shareholding pattern as on June 30, 2011

Category	No. of shares	Shareholding
Reliance group	132,982,274	54.1%
Foreign investors – FIIIs, GDRs, NRIs, and others	57,952,247	23.6%
Domestic institutions/ Banks / Mutual funds	11,955,898	4.9%
Indian public	42,742,381	17.4%
<b>Total</b>	<b>245,632,800</b>	<b>100.0 %</b>

- Market cap. as on August 12, 2011 – Rs. 107 billion (US\$ 2.4 billion)

RELIANCE

**Thank you**

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*August 13, 2011*

RELIANCE