

Results for the quarter ended December 31, 2009

Investor Presentation
January 30, 2010

Agenda

- ❑ *Financial Performance*
- ❑ *Business Performance*
 - Reliance Asset Management
 - Reliance Life Insurance
 - Reliance General Insurance
 - Reliance Consumer Finance – Home finance & Asset finance
 - Reliance Money
 - Finance & Investments
 - Update on other businesses
- ❑ *Shareholding pattern as on December 31, 2009*

Performance Highlights – Consolidated

Quarter ended December 31, 2009

- ❑ Total Income of Rs. 14.8 billion (US \$ 319 million), against Rs. 15.7 billion in the corresponding period – decrease of 6%
- ❑ Net Profit of Rs. 632 million (US \$ 14 million), against Rs. 1,315 million in the corresponding period – decrease of 52%
- ❑ Net worth of Rs. 78 billion (US \$ 2 billion) as on December 31, 2009 – YoY increase of 7%
- ❑ Total assets of Rs. 242 billion (US \$ 5 billion) as on December 31, 2009 – YoY increase of 8%

Profit & Loss Highlights (Consolidated)

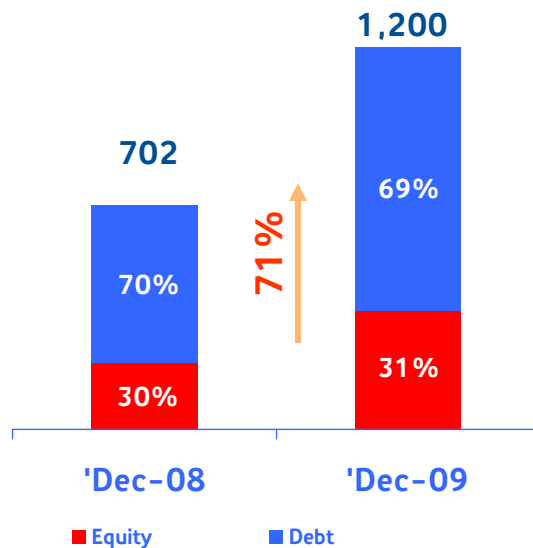
(Rs. million)

	Q3FY10	Q3FY09	Q2 FY10	FY09
Total income	14,848	15,731	14,471	59,400
Staff costs	1,453	1,378	1,399	5,541
Other expenditure	3,547	3,668	3,420	11,559
Reinsurance premium ceded	1,896	1,935	1,705	6,758
Claims incurred	3,321	3,350	2,113	10,729
Interest & financial charges	3,457	3,725	3,608	12,638
Depreciation	175	153	154	567
Profit before tax	1,039	1,526	2,265	12,042
Profit after tax	632	1,315	1,558	10,157
Diluted EPS (Rs.)	2.57	5.45	6.34	41.35

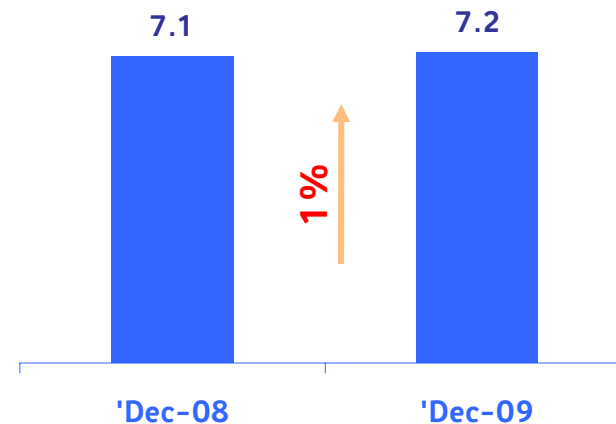
RELIANCE Mutual Fund

India's no.1 Mutual Fund

AAUM - RMF (Rs. billion)



No. of investors (million)

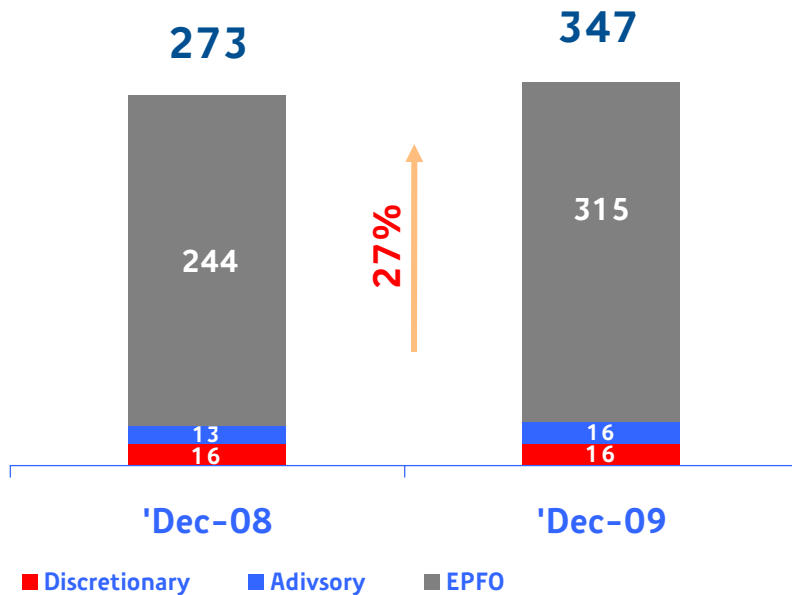


- ❑ **Maintains No. 1 position with market share of over 15%**
- ❑ **Over 1 million Systematic Investment Plan (SIP) accounts**
- ❑ **Launched 'Reliance Smart Step' – first fund house to launch unique facility to invest across all debt/ liquid & equity schemes based on scientific model**
- ❑ **Only Indian AMC to win highly acclaimed international award – 'Asia Risk Award for Asset Manager – 2009' for robust risk management practices**

Asset Management

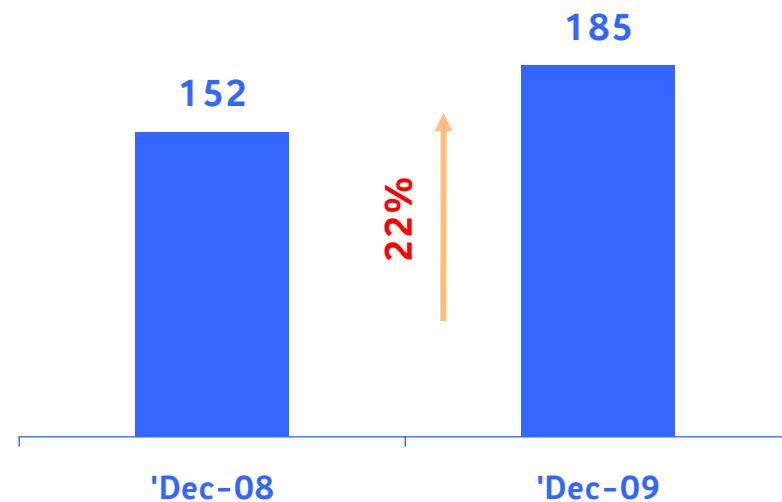
Portfolio Management Services

AUM (Rs. billion)



Offshore funds

AUM (US\$ million)



- **27% YoY increase in PMS AUM**
- **21% YoY increase in offshore funds AUM**

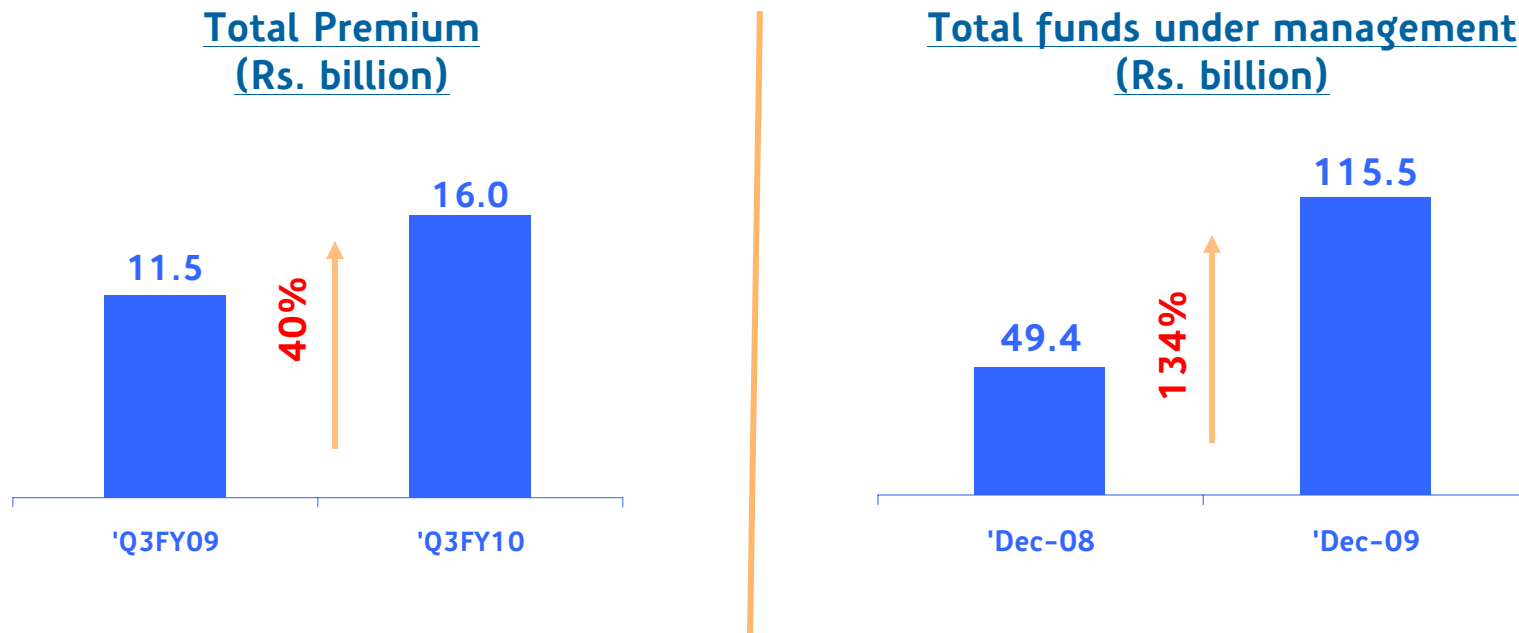
RCAM (consolidated) financial performance

(Rs. Million)

	Q3FY10	Q3FY09	Q2FY10	FY09
Income	1,963.7	915.4	1,560.0	4,546.9
Personnel costs	487.7	256.3	359.1	1,205.7
Marketing expenses	465.8	115.7	261.6	619.3
Administration & other expenses	230.1	178.6	260.6	1,036.1
Profit before tax	744.0	338.9	648.6	1,685.8
Profit after tax	478.7	256.8	388.6	1,257.0

- ❑ **115% YoY growth in income**
- ❑ **86% YoY growth in PAT**

RELIANCE Life Insurance



- 4th largest private sector life insurer with 9.3% market share
- Expanded distribution network to 1,247 branches
- 1,92,347 agents – 36% YoY increase

RELIANCE Life Insurance

Financial performance

(Rs. Million)

	Q3FY10	Q3FY09	Q2FY10	FY09
First year premium	8,150.0	7,565.6	6,775.1	29,657.4
Single premium	1,063.0	732.6	666.9	54,82.4
Total New business premium	9,212.9	8,298.2	7,442.0	35,139.8
Renewal premium	6,858.7	3,190.4	5,232.1	14,185.6
Annualized Premium Equivalent (APE)*	8,256.3	7,638.9	6,841.8	30,205.6
Policyholders' funds under management	112,595.1	44,950.0	99,828.6	58,950.5

- 115% YoY increase in renewal premium
- 150% YoY increase in policyholders funds under management

* Calculation of APE :

APE = Regular new business premium + 10% of single new business premium

RELIANCE Life Insurance

Financial performance contd...

(Rs. Million)

	Q3FY10	Q3FY09	Q2FY10	FY09
No of policies issued	6,88,979	5,91,201	4,95,560	2,219,273
Avg premium/ policy (Rs)	12746	13779	13650	15,059.0
Avg tenure of policies issued	14.8	14.2	8.1	13.7
Average age of insured	35.1	34.2	34.9	34.2
Capital infused	-	3260.0	650	1229.4
Capital infused as % of total new business premium	-	39%	3%	35%

- No capital infusion needed in Q3 FY10 as against Rs. 3.3 billion in Q3 FY09, total capital invested till date – Rs. 28.1 billion
- Sold highest number of policies in private sector insurance industry – 17% YoY increase
- 7% YoY drop in average premium per policy & 4% YoY increase in tenure of policies issued – increased contribution in NBP from tier III & IV towns & cities

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 the our most recent view of long term expense assumptions
- ❑ No allowance has been made for any expense over runs that we may experience in the short term
- ❑ Projections assume that we apply 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	5.5%
Risk discount rate	12.5%
Tax rate	14.2%

Further considerations

- NBAP reflects 96.05% of new business written in nine months ended December 31, 2009
 - Value from traditional business and part of group business has been ignored. These two business lines represent 3.41% & 0.54% respectively of annualized new business premium
- **NBAP for nine months ended December 31, 2009 – Rs. 3.8 billion (20.13%)**

Sensitivity

(Rs. million)

Particulars	Base value	+ 1%	- 1%
Investment income	3,844.1	3,990.5	3,704.5
Risk discount rate	3,844.1	3,529.4	4,191.3

- 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 General Insurance

Financial performance

(Rs. Million)

	Q3FY10	Q3FY09	Q2FY10	FY09
Gross Written Premium	5,181.9	5,089.6	4,880.6	19,148.8
Net Written Premium	4,130.0	4,160.1	3,187.6	13,996.0
Net Earned Premium	3,989.6	4,223.1	3,017.7	13,889.0
Underwriting result (accounting)	(208.9)	(285.5)	(107.9)	(986.4)
Profit before tax	(69.9)	(120.9)	1.1	(501.7)
Investment book	15,155.7	12,315.4	14,592.8	13,639.7
Networth	6,256.9	5,014.9	6,326.9	6,316.0
Combined ratio with pool	112%	114%	111%	114%
No of policies issued	878,615	729,509	812,610	2,712,978
No of claims handled	327,888	345,056	156,517	535,489

- 6% QoQ increase in Gross Written Premium
- YoY improvement in combined ratio (with pool) – 112% in Q3 FY10 from 114%

RELIANCE General Insurance

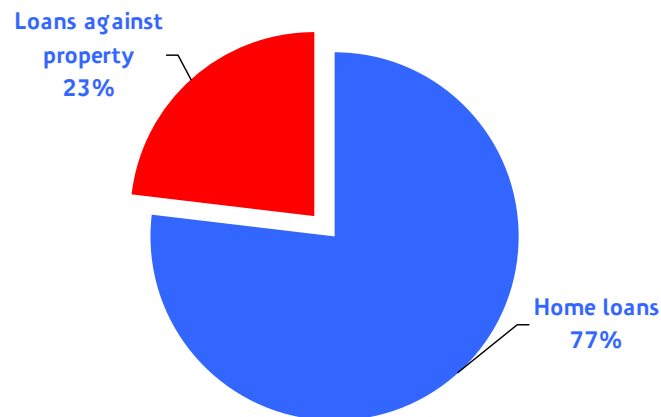
Sector-wise premium contribution

	Dec 31, 2009	Dec 31, 2008	Mar 30, 2009
Motor	67%	58%	61%
Health	12%	17%	16%
Fire	7%	7%	7%
Engineering	4%	6%	6%
Others	10%	12%	10%
Total	100%	100%	100%

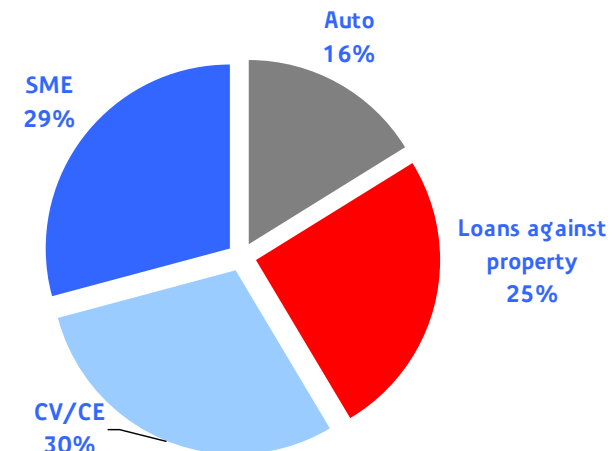
- De-focus from unprofitable segments with high combined ratios

RELIANCE Consumer Finance

Home Finance book
(Rs. 23 billion)



Asset Finance book
(Rs. 39 billion)



- ❑ Focus on secured lending and creating good quality loan portfolio
- ❑ Total loan book size as on December 31, 2009 – Rs. 78 billion
- ❑ Over 500% YoY increase in disbursements – Rs. 14.4 billion in Q3 FY10
- ❑ Securitization of Rs. 11 billion – till date securitized Rs. 21 billion
- ❑ 115,517 customers across 18 locations in India

Home Finance

Financial performance

(Rs. Million)

	Q3FY10	Q3FY09	Q2FY10	FY09
Interest Income	688.8	686.1	688.5	2,405.9
Other Income	258.2	16.9	194.6	124.2
Total Income	947.0	702.9	883.1	2,530.1
Personnel costs	48.3	33.6	43.7	173.8
Interest expenses	429.5	502.0	451.3	1,653.8
Other expenses	8.3	65.7	59.5	277.0
Provisions	4.6	3.0	12.3	87.5
Profit before tax	456.3	98.6	316.3	338.0

- ❑ 361% YoY and 44% QoQ growth in profit before tax
- ❑ Significant decrease in cost to income ratio - from 49% to 16% YoY
- ❑ 62% QoQ decline in provisions
- ❑ Average cost of funds – 9.4% in Q3 as against 10.2% for FY09

Asset Finance

Financial performance

(Rs. Million)

	Q3FY10	Q3FY09	Q2FY10	FY09
Interest Income	1,274.9	1,457.4	1,351.8	5,255.1
Other Income	379.1	9.7	451.9	92.5
Total Income	1,616.4	1,467.1	1,803.7	5,347.5
Personnel costs	137.4	73.9	108.5	355.3
Interest expenses	727.3	1,038.4	899.3	3,528.0
Other expenses	309.7	192.7	343.1	806.0
Provisions	27.7	71.5	45.4	259.6
Profit before tax	451.9	90.7	407.4	398.6

- ❑ **396% YoY growth in profit before tax**
- ❑ **Significant decrease in cost to income ratio - from 62% to 48% YoY**
- ❑ **61% YoY and 39% QoQ decline in provisions**
- ❑ **Average cost of funds – 9.4% in Q3 as against 11.2% for FY09**

Unsecured loan book

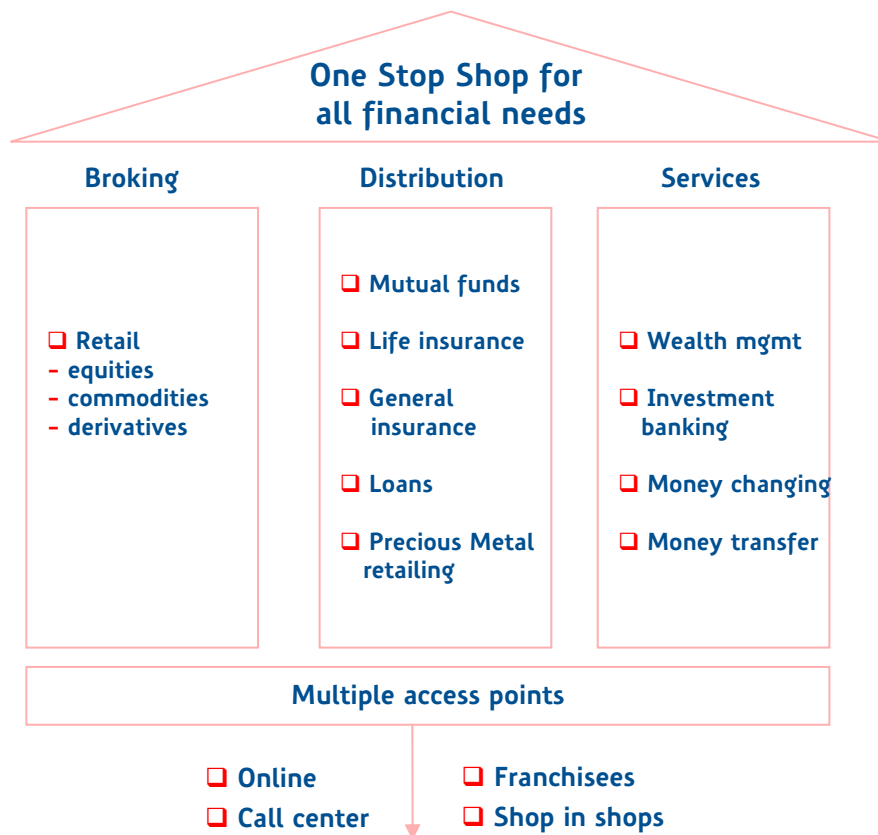
Financial performance

(Rs. Million)

	Q3FY10	Q3FY09	Q2FY10	FY09
Interest Income	636.6	1,031.2	718.8	3,924.7
Other Income	25.3	11.5	40.8	199.6
Total Income	662.0	1,042.8	759.6	4,124.3
Personnel costs	56.8	68.0	68.7	334.4
Interest expenses	319.5	540.6	381.6	1,851.8
Other expenses	164.0	174.8	148.5	802.4
Provisions	648.7	302.9	656.8	960.8
Profit before tax	(527.0)	(43.6)	(496.1)	174.9

- ❑ De-emphasize unsecured lending
- ❑ Average cost of funds – 10.1% in Q2 as against 11.5% for FY09
- ❑ 1% QoQ decline in provisions
- ❑ Brought down personal loan book from 13% to 9% YoY

RELIANCE Money



- ❑ One of India's leading brokerage and distributor of financial products
- ❑ Pan India presence with over 5,000 outlets
- ❑ Multiple access points to ensure effective, anytime – anywhere transactions
- ❑ Focus on broking, distribution (third party & in-house), wealth management and investment banking

RELIANCE Money



Broking:

- focus on equity broking, commodities, and derivatives
- 940,000 broking accounts – 2% QoQ increase
- Steady daily average turnover on stock exchanges – Rs. 16 billion
- Daily average commodities broking turnover – Rs. 2.5 billion

RELIANCE Money

Distribution – third party & in-house

- Third party
 - manufacturer agnostic
 - distributor of mutual funds, life & general insurance products, loans and precious metal retailing
- In- house
 - leveraging on cross sell opportunity with in-house distribution business
 - 118,000 customers – over 500% YoY increase
 - strong presence through 75 locations – across 48 cities in India
 - largest distributor for Reliance General Insurance and among top 5 for Reliance Life Insurance

Wealth Management & Investment Banking

- New initiatives in Reliance Money
- Wealth Management – to address financial needs & create investment opportunities for HNIs and the average retail investor
- Investment Banking – to address capital requirements of an enterprise through IPOs, private placements, bond offerings, M&A etc
- Currently in process of putting together a professional team in place for both business verticals

RELIANCE Money

Financial performance

(Rs. Million)

	Q3FY10	Q3FY09	Q2FY10	FY09
Total Income	536.9	1,021.8	609.1	3,520.4
Sub brokerage	35.1	102.0	39.7	420.9
Personnel costs	167.9	287.2	254.9	1,150.1
Other expenses	333.2	339.1	271.3	1,368.7
Profit before tax	0.7	293.5	43.3	580.7

- Re-structuring business – moving towards a robust and sustainable business model
- Maintained steady revenues QoQ

Finance & Investments – standalone

(Rs. Million)

	Q3FY10	Q3FY09	Q2FY10	FY09
Interest & finance income	1,582	1,281	1,249	5,610
Profit on sale (net) investments	733	2,054	2,113	11,416
Other income	44	151	98	753
Total	2,359	3,486	3,460	17,779
Profit before tax	170	1,102	1,306	9,865

Updates on other businesses

□ Reliance Exchange Next

- new initiative for setting up modern exchanges in various segments
- launched Reliance Spot Exchange in Oct 2009 – commenced e-auction in metals
- added spices contract to e-business platform in Dec 2009
- aims to bring different markets on national electronic platform – create transparency, efficiency & infrastructure for spot markets across India

□ Reliance Equity Advisors

- private equity fund
- plans to raise money domestically – targeting HNIs and domestic funds
- 1st round of fund raising completed in Q3 FY10 – received excellent commitments from HNIs, domestic funds & financial institutions
- invest in sunrise and growth sectors

Updates on other businesses contd..

□ Reliance Equities International

- Institutional broking
- Reliance Capital plans to take majority stake in Quant Capital Group
- Subject to regulatory approvals, will integrate operations of Reliance Equities International & Quant Capital – increase scale of operations through business synergies and cost optimization
- Quant Capital focuses primarily on institutional cash equities and equity derivatives

□ Reliance Asset Reconstruction

- acquisition, management and resolution of distressed debt
- current asset base of over Rs. 200 million

Shareholding pattern as on December 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	5,42,66,161	22.2%
Domestic institutions/ Banks / Mutual funds	1,90,43,769	5.1%
Indian public	4,09,40,596	19.2%
Total	24,56,32,800	100.0%

- Market cap as at January 29, 2010 – Rs. 197 billion (US\$ 4.3 billion)

Thank you

January 30, 2010