

RELIANCE

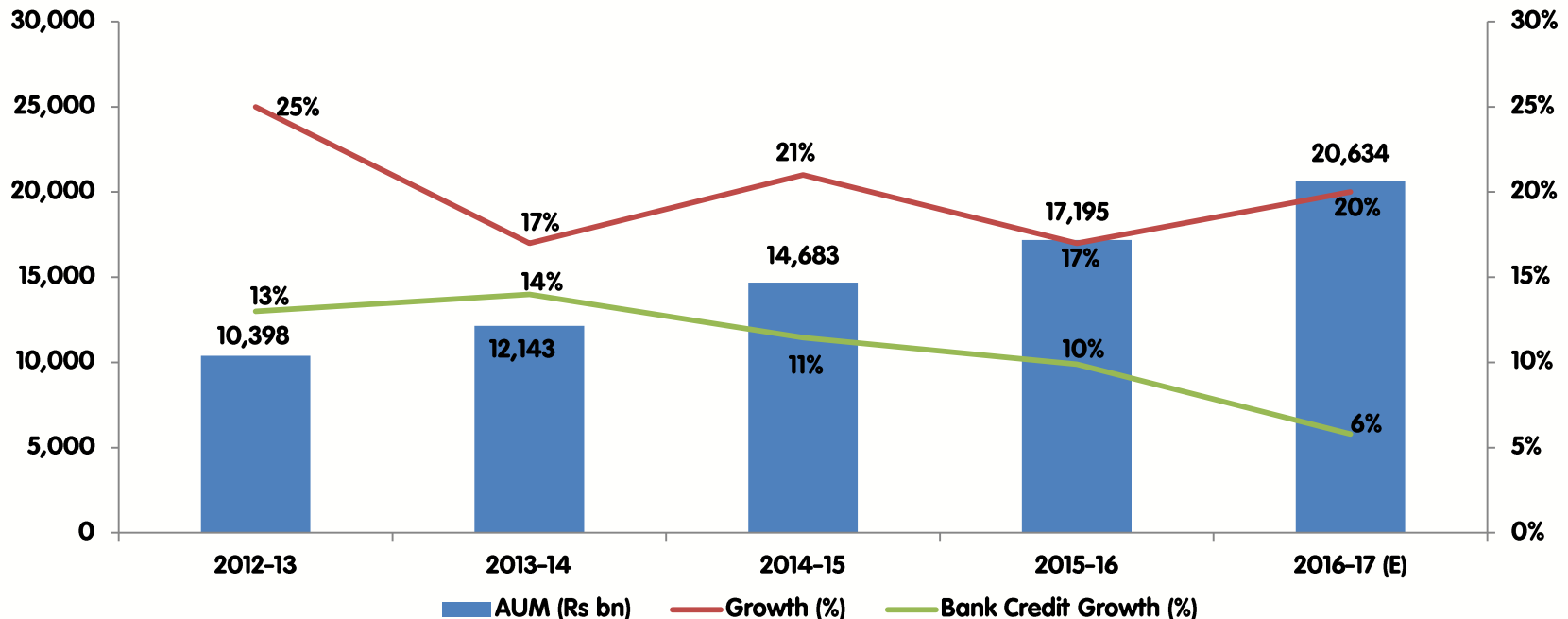
COMMERCIAL
FINANCE

A RELIANCE CAPITAL COMPANY

Corporate Presentation

June 2017

India AUM Growth



Source : Crisil NBFC report (October 2016) & RBI data

- **Non Banks** have **carved out a niche** for themselves to **compete with banks**
- Non Banks are slowly **gaining market share** in lending
- **AUM grew** at **CAGR of 19%** since 2011-12

Non Banks geared up to play an important role of credit dissemination

- ✓ **100% subsidiary of Reliance Capital**
- ✓ **AUM of Rs.168 billion; Rs.18 billion Tier 1 capital**
- ✓ **Scale player** with focus on **lending to the self employed**
- ✓ **Diversified portfolio** leading to **consistent performance**
- ✓ PAN India presence in **over 90 locations** and **over 5,000 distribution partners**
- ✓ **Unique cluster-based** approach to **SME lending**
- ✓ **Over 880** employees and **53,500 customers**
- ✓ **Large group franchise of consumers**
- ✓ **Experienced & stable management team**

Geared for accelerated growth in “New India”



Mr. Padmanabh Vora
Independent Director

- Practicing Chartered Accountant and a managing partner in P. P. Vora & Co
- Currently the chairman of NSDL Database Management Limited
- In the past held managing directorship and chairmanship of IDBI Bank Limited & National Housing Bank



Ms. Deena Mehta
Independent Director

- Associate member of ICAI and fellow member of Securities & Investment Institute of London
- Currently the MD of Asit C Mehta Financial Services Limited.
- More than 20 years of experience in securities market



Mr. Lav Chaturvedi
Non-Executive Director

- Responsible and instrumental in building robust risk management and compliance structure, along with internal audit and regulatory, at the group level
- Worked with IPS Sendero, subsidiary of Fiserv (a Fortune 500 company), in Scottsdale, Arizona
- MBA from Syracuse University, New York and Chartered Financial Analyst from USA



Mr. Devang Mody
Executive Director & CEO

- Over 20 years of experience in the financial sector
- Previous assignment – President consumer business at Bajaj Finance. Previously with GE Money, E&Y & Mahajan and Aibara
- Chartered Accountant by Qualification

Experienced and stable management

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Devang Mody
ED & Chief Executive
Officer

- Over 20 years of experience in the financial sector
- Previous assignment – President consumer business at Bajaj Finance. Previously with GE Money, E&Y etc.
- Chartered Accountant by Qualification



Souvik Sen Gupta
Chief Business Officer

- With Reliance Commercial Finance for 10 years
- Worked with HDFC Bank, ICICI Bank and Citicorp
- PGDBM



Amrish Shah
Chief Financial Officer

- With Reliance Commercial Finance for 10 years
- Has been part of senior management at ICICI Bank in Operations & Finance



Prashant Utreja
Chief Human Resources
Officer

- With Reliance Commercial Finance for 10 years
- Worked with Reliance General Insurance & ICICI Bank
- BE and MBA



Nimesh Parikh
Chief Risk Officer

- With Reliance Commercial Finance for 10 years
- Worked with ICICI Bank, HSBC, Citi Corp.
- MS University, Baroda.



Magesh Iyer
Head Operations

- With Reliance Commercial Finance for 10 years
- Worked with ICICI Bank, Kotak Mahindra Bank,
- PGDBA in Operations Management.



Shashi Kumar Ravulapaty
Chief Technology Officer

- With Reliance Commercial Finance for 10 years
- Worked with Indusind Bank & SBI, etc
- MSC & PG course in Computer Science



Jaspal Singh Arora
Head- Product (Digital)

- Over 12 years of experience with ICICI
- Previous assignment – Business practice head, Business Intelligence & Analytics
- MMS and BE



Vinod Nair
Head Collections

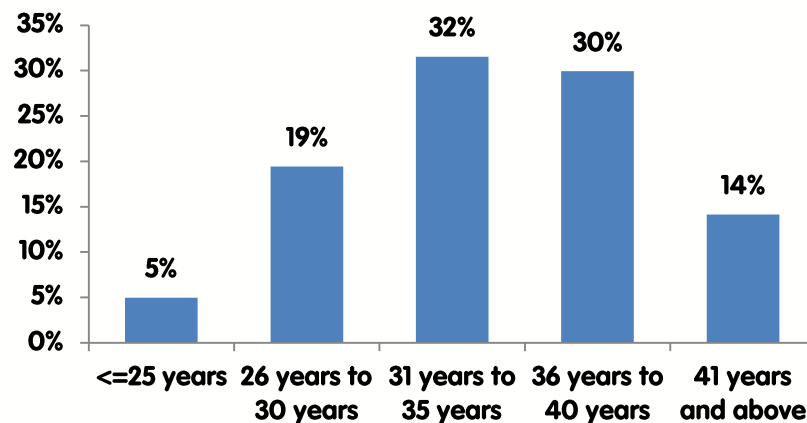
- With Reliance Commercial Finance for 8 years
- Worked with HDFC Bank, Centurion Bank of Punjab, IDBI Bank, GE Capital & Tata Cellular (Now Idea)
- PGCBM from XLRI



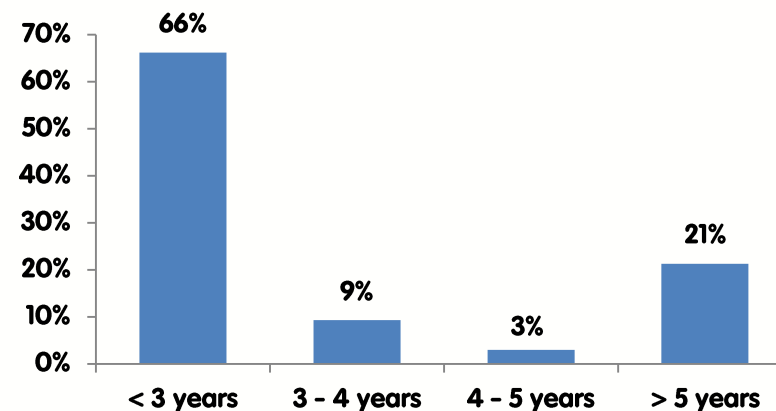
Tapan Sampat
Head- Marketing & Digital

- With Reliance Commercial Finance for 9 years
- Worked with IDBI Capital, Pedilite Industries, Bajaj Electricals
- PGDM in Sales and Marketing

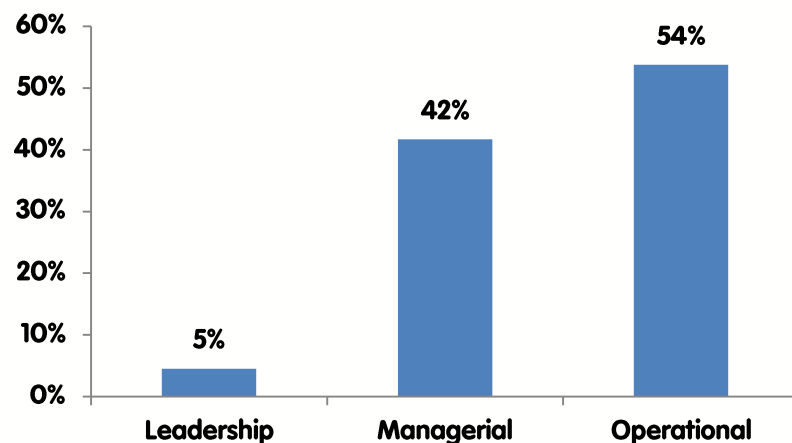
Age Distribution



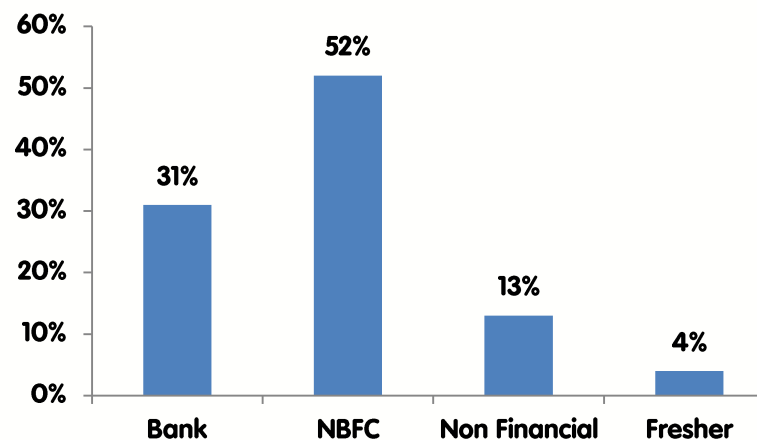
Vintage Distribution



Employee Mix



Industry Mix



Diverse resource pool

Segment details

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(As on Mar 2017)

Segment	Focus Area for growth	LTV	Share in Total AUM	Avg. Yield
SME	Cluster-based growth approach	76%	43%	14.3%
Loan against Property	Self employed / SMEs	49%	16%	14.6%
Vehicle Loans	Retail Transport Operators & others	68%	14%	18.5%
Infra Lending	Small project bridge lending	-	12%	11.6%
Construction Finance	Developer Financing	27%	7%	15.2%
Microfinance	Lending to / through MFIs	-	7%	16.8%

Diversified asset pool; dominant in SME segment

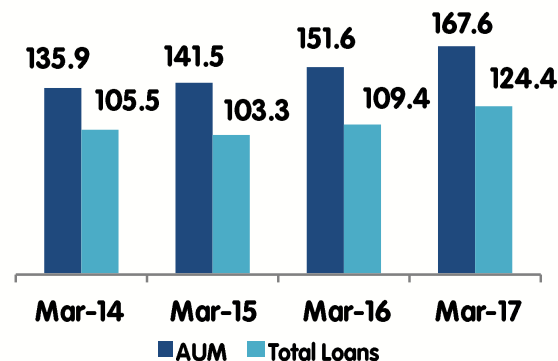
Financial Performance

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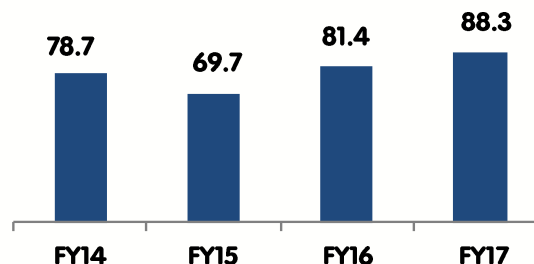
AUM and Total Loan Portfolio

(Rs. Billion)



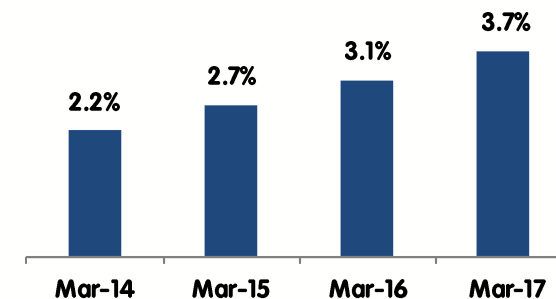
Disbursements

(Rs. Billion)



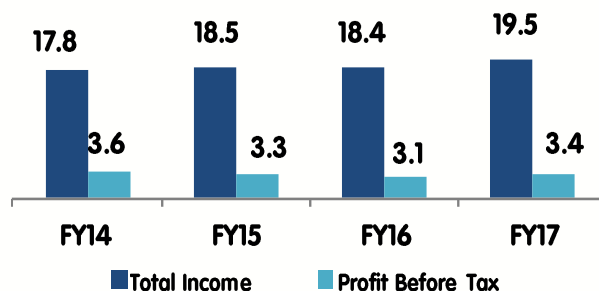
Gross NPLs

(%)



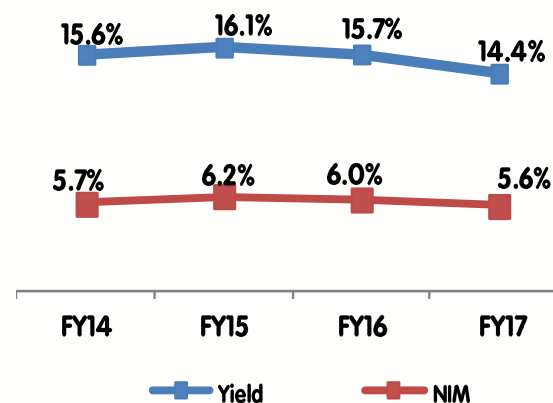
Total Income and Profit Before Tax

(Rs. Billion)



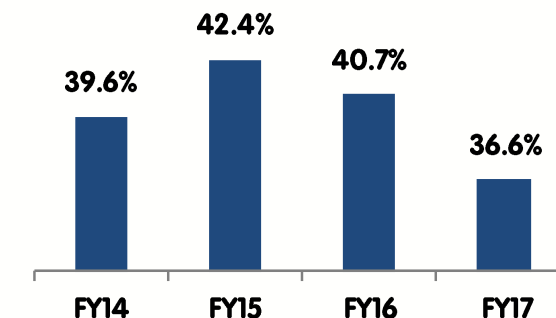
Yield and Net Interest Margin

(%)



Cost-to-income Ratio

(%)



Note: Reliance Commercial Finance was a division of Reliance Capital Limited for FY15 and FY16. It became a 100% subsidiary of Reliance Capital Limited as on March 24, 2017

Consistent performance; Geared to grow

Profit and Loss statement

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(Rs. Million)	Q4 FY17	Q4 FY16	Q3 FY17	FY 2017	FY 2016
Disbursements	38,349	23,041	17,257	88,265	81,379
Net Interest Income	1,985	1,935	1,416	6,593	6,553
Total Income	4,902	5,009	4,820	19,535	18,391
Interest expenses	2,169	2,530	2,651	10,399	10,305
Other expenses	929	925	808	3,341	3,287
Provisions	489	348	558	2,368	1,677
Profit before tax	1,314	1,205	804	3,428	3,122

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Consistent performance; Geared to grow

Summarised balance sheet

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(Rs. Million)	Mar 31, 2017	Mar 31, 2016	Mar 31, 2015
Capital & Reserves	25,057	19,839	18,612
Borrowings	105,633	105,583	101,274
Other Liabilities	5,854	5,048	4,731
Total	136,544	130,470	124,618
Cash / bank balance	4,108	6,494	6,235
Investments	1,992	2,288	584
Loans	124,124	108,143	102,039
Fixed assets	294	1,161	1,394
Other Assets	6,026	12,385	14,366
Total	136,544	130,470	124,618

Note: Reliance Commercial Finance was a division of Reliance Capital Limited for FY15 and FY16. It became a 100% subsidiary of Reliance Capital Limited as on March 24, 2017

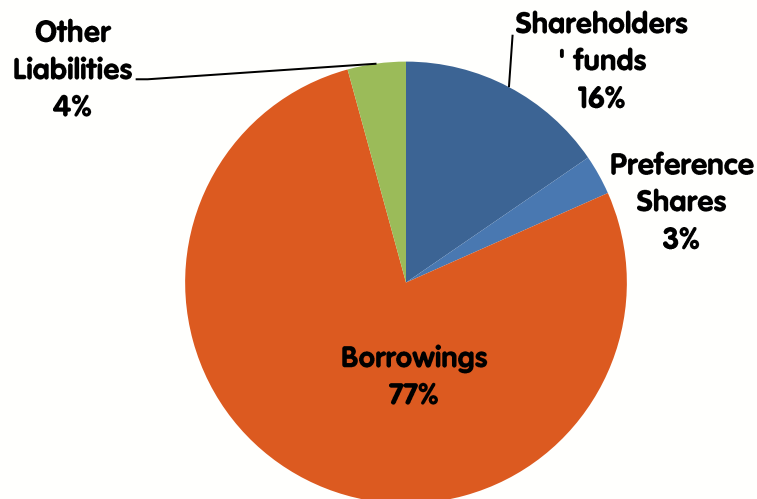
Consistent performance; Geared to grow

Balance sheet profile

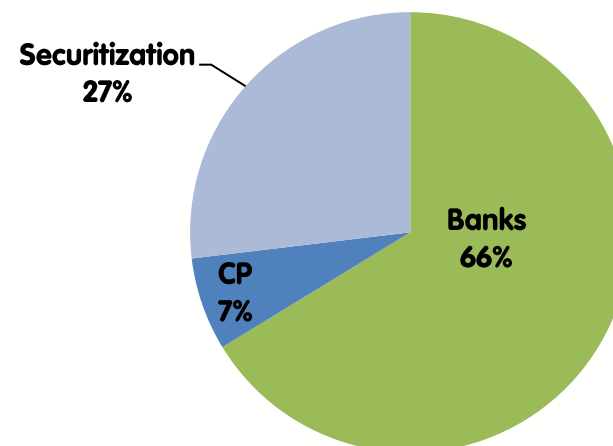
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Liabilities (Rs. 136.5 Billion)

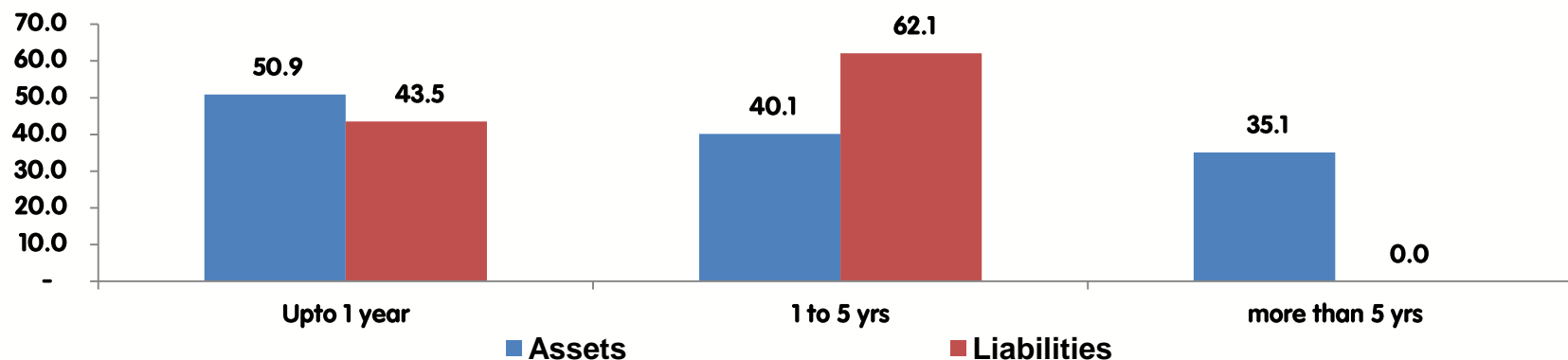


Funding of AUM (Rs. 144.5 Billion)



All figures as on March 31, 2017

Maturity Profile (Rs. Billion)



Robust Balance sheet metrics

Instrument	March 2017
Short Term Debt CP	ICRA A1+
Short Term Debt (Bank Lines)	ICRA A1+
Long Term NCDs	BWR AA+, CARE AA+
Tier II Unsecured NCD	BWR AA+, CARE AA+
Long Term Bank Borrowing	CARE AA+
Market linked Debentures	CARE PP - MLD AA+

Diversified revenue pool

- Launch businesses to lend to consumers
- Consumer lending to be a relevant segment by FY19

Achieve relevance in underpenetrated segments

- Launch Used Car & 2-Wheeler segments
- Create dominance in niche SME segments

Create strategic assets

- Harness group database & channels
- Mobile First acquisition process

Agile Risk Management

- Invest for best-in-class collection capability
- Measure against defined success & immediate "Go to market"

People Strategy

- Senior Management with entrepreneurial instinct / track record
- Drive average age downwards through flatter organization

Create differentiated lending business

SME Loans

- Expand foot print in already established Education & Healthcare ecosystems
- Develop Post harvest, food processing and equipment financing segments
- Continue to book secured / Medium maturity assets

Infrastructure Loans

- Leverage on current niche in short term renewable funding
- Create underwriting capability for hybrid annuity / EPC road projects

Micro SME Loans

- Explore Micro Enterprise loans through existing SP network, servicing micro finance
- Create EWS framework using bureau data to identify right clusters of lending

Deepen key focus segments

Used Car Loans

- Dealer terminalized approval workflow
- Partner with large auto dealers in this segment for white label / risk sharing partnership
- Leverage RGI relationships with dealers and manufacturers

Two Wheeler Loans

- Focus on OEM without captive finance companies
- Mobile first loan origination & collection capabilities
- Asset light branch model

Retail Loans

- Engine to underwrite retail / PL / BL / LAS using WEB / Mobile interface
- Create capabilities for Application process by customers (self service)
- Extend capabilities to Insurance / AMC Agents

Solve ecosystem problems using digital assets

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Thank you