

The logo for Reliance Capital, featuring the word "RELIANCE" in white capital letters on a blue rectangular background. A small red triangle is positioned below the letter "I".

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# Results for the year ended March 31, 2017

Investor Presentation

April 27, 2017

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**Leadership** position across diverse range of **financial services'** businesses

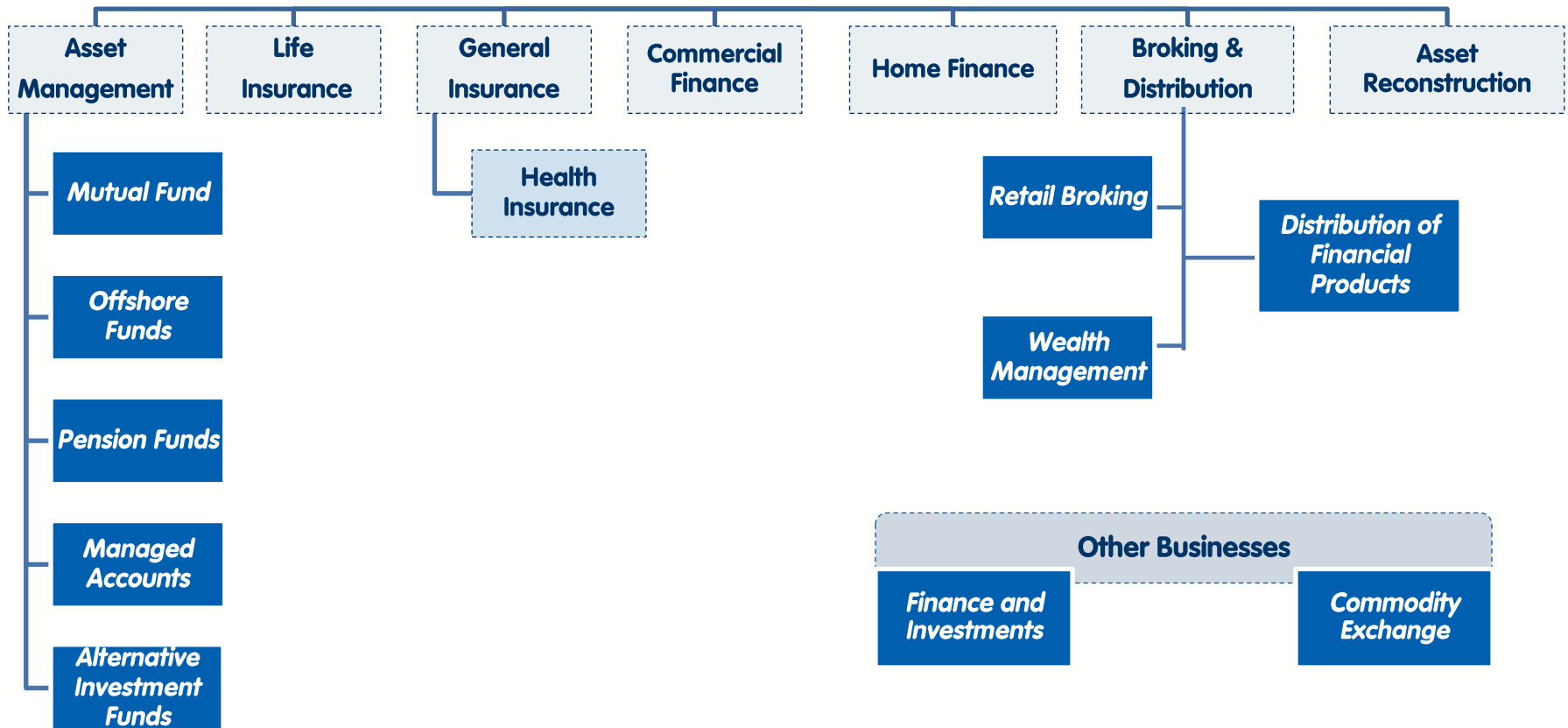
**Robust financial platform with top-end ratings and a conservative net debt-equity ratio of 1.88**

**Total networth of Rs. 165 billion and asset size of over Rs. 822 billion**

Over **20 million** customers, approx. 15,600 employees, and over **Rs. 4 trillion in AUM**

## Amongst India's Largest Non Banking Financial Companies

### Core Businesses



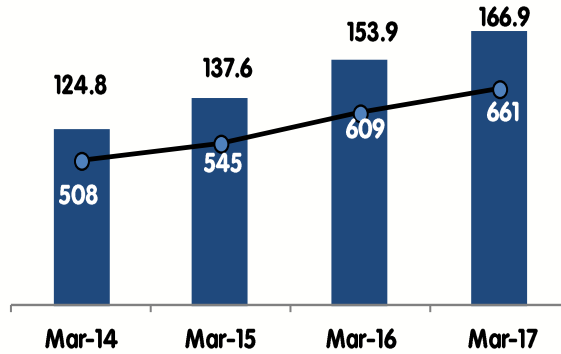
# Key Performance Highlights

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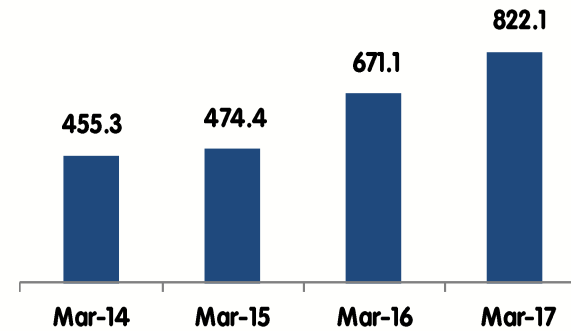
## Networth and Book value Per Share

(Rs. Billion)



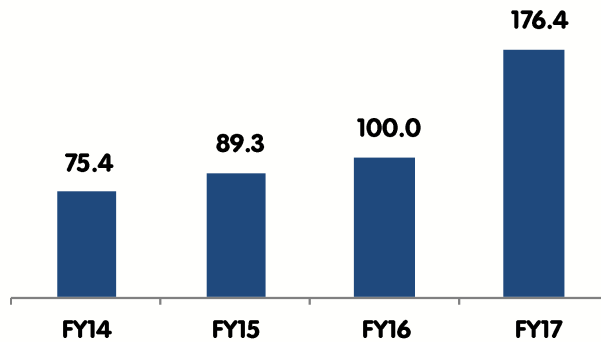
## Total Assets

(Rs. Billion)



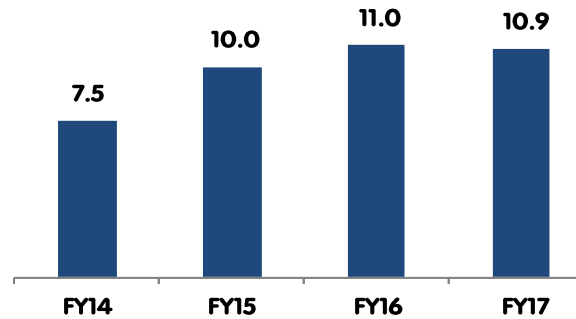
## Total Income

(Rs. Billion)



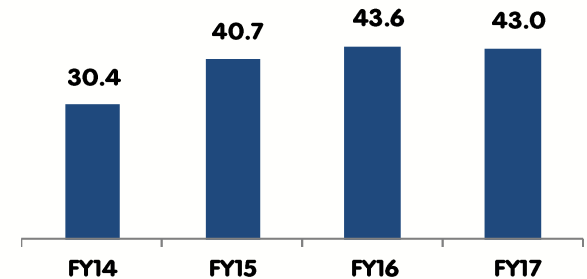
## Profit After Tax

(Rs. Billion)



## Earnings Per Share

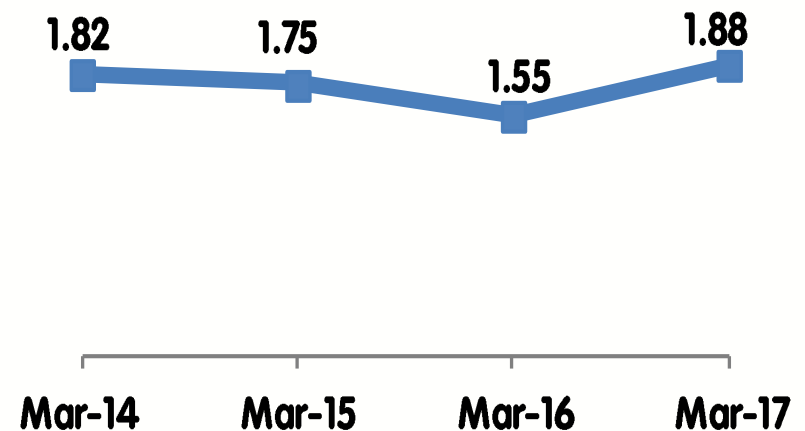
(Rs.)



\* FY2015 and FY2016 results include one-time capital gains on stake sale in RCAM

### Net debt - equity ratio: 1.88

- **Capital Ratio at 40%**
- **ICRA 'A1+'**
  - **Highest credit rating for short term borrowing program**
- **CARE 'AA+'**
  - **Top-end rating for long term borrowing program**



# Reliance Nippon Life Asset Management

- **India's largest asset manager** with AUM of Rs. 3.6 trillion
- **One of the most Profitable AMCs** in the Industry (FY17 PBT: Rs. 5.8 billion)
  - Return on equity remained stable at 24.5%

### Strong Retail Franchise

- **Deep market penetration: Highest AUM** from smaller locations (B-15 segment) in the industry
- **Strong recurring flows:** Long-term **SIP** book has helped in building a stable asset base
  - SIP count among the highest in the Industry - **1.7 million SIPs per month**
- **Approx. 7 million investor folios** - Amongst the highest in the industry
- Over **160 branches** and **54,000+** empanelled **distributors**



### Diversified AUM base

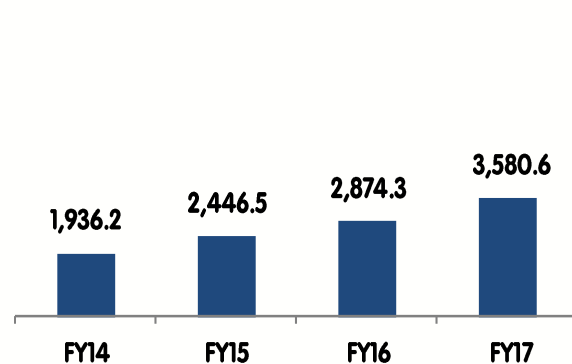
- Only private AMC with all three FM mandates (EPFO, NPS, CMPFO)
- **Leading player in the ETF market**
  - **30% Market share** in ETF category with comprehensive product range
  - Mandate to manage Central Public Sector Enterprises ("**CPSE**") ETF:
    - CPSE FFO in Jan 2017: One of the **largest initial offering** in MF industry; raised >Rs. 137 billion from 2.6+ lakh investors (issue size of Rs. 60 billion)
    - CPSE FFO (2<sup>nd</sup> tranche): raised over Rs. 101 billion from 1.6+ lakh investors as against the issue size of Rs. 25 billion

### Stable Team

- **Most stable and experienced Management and Investment Team**

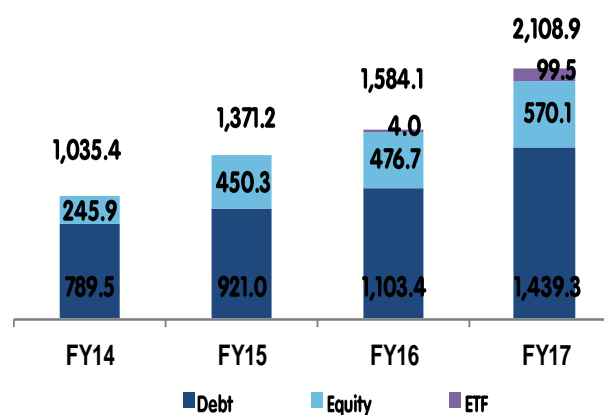
## Average Assets under Management

(Rs. Billion)



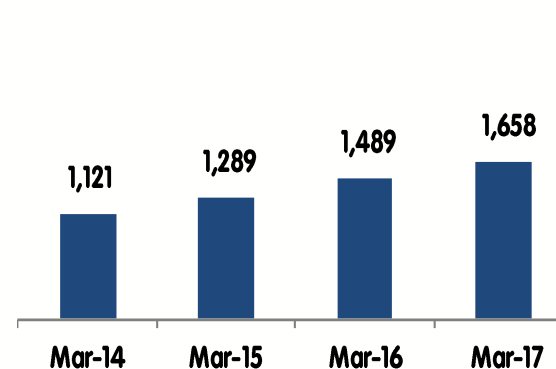
## Average Mutual Fund AUMs\*

(Rs. Billion)



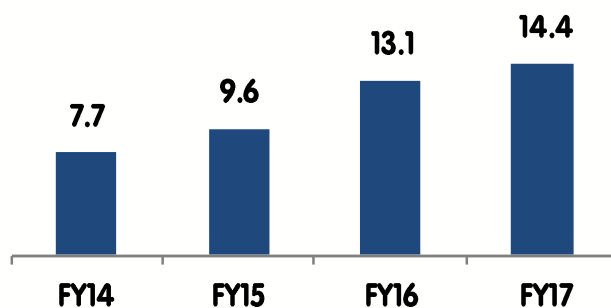
## No. of SIPs and STPs

(In '000s)



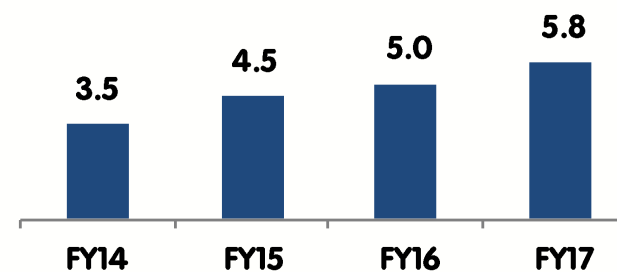
## Total Income

(Rs. Billion)



## Profit Before Tax

(Rs. Billion)



\* average assets under management for the quarter ended March 31

# Reliance Commercial Finance

### Maintain leading position in the SME sector

#### Focus on profitable growth with best-in-class asset quality

- **AUM increased to Rs. 167.6 billion (+11%)** as on March 2017
- **Disbursements at Rs. 88.3 billion (+8%);** assets securitised in FY17 at Rs. 29.7 billion
- **Gross NPA at 3.7% (at 90 dpd basis)** as on March 2017 **with adequate coverage**
- **Cost-to-income ratio improved from 40.7% to 36.6% in FY17**
- **FY17 Profit before tax at Rs. 3.4 billion (+10%);** return on equity at 14.2%

#### Widespread presence and customer base

- Present in 44 cities and **caters to over 49,400 customers**
- **Over 5,000 distribution partners** across the country

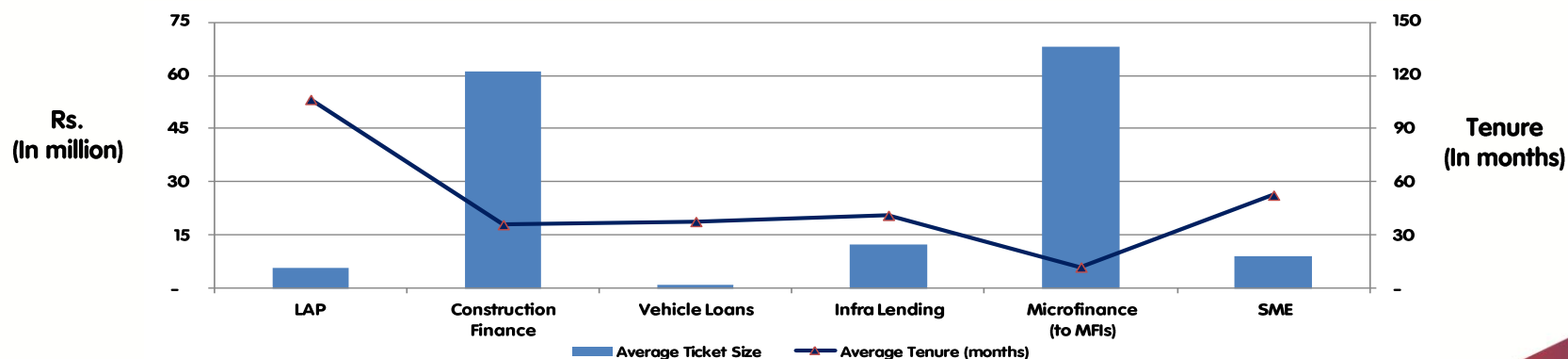
# Segment Detail - Reliance Commercial Finance

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(As on Mar 2017)

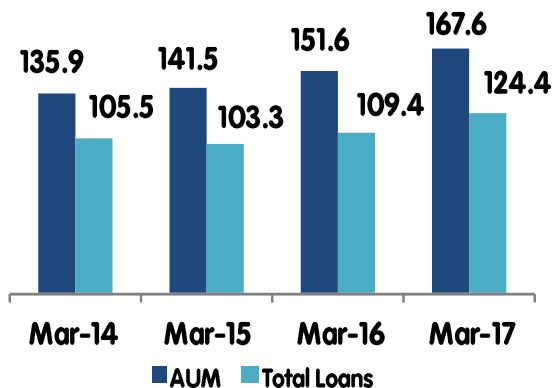
Segment	Focus Area for growth	LTV	Share in Total AUM	Avg. Yield
SME	Cluster-based growth approach	76%	43%	14.3%
Loan against Property	Self employed / SMEs	49%	16%	14.6%
Vehicle Loans	Retail Transport Operators & others	68%	14%	18.5%
Infra Lending	Small project bridge lending	-	12%	11.6%
Construction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



# Financial Performance - Reliance Commercial Finance

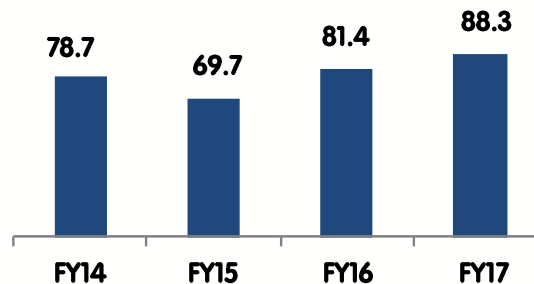
## AUM and Total Loan Portfolio

(Rs. Billion)



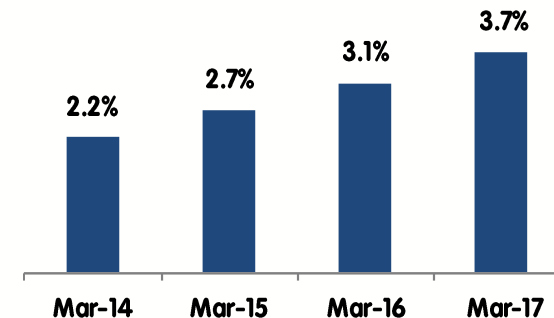
## Disbursements

(Rs. Billion)



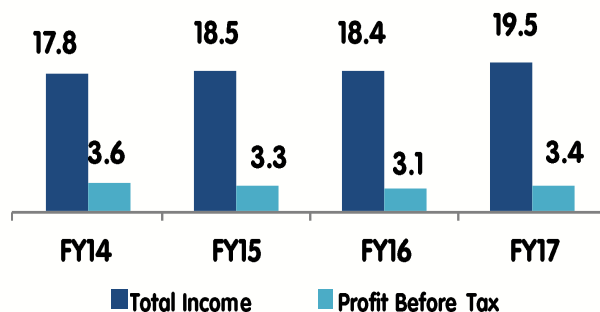
## Gross NPLs

(%)



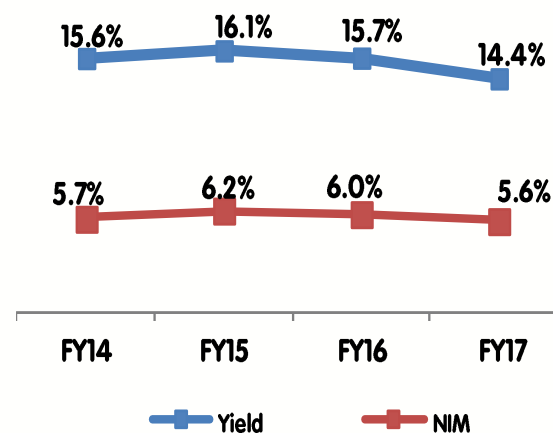
## Total Income and Profit Before Tax

(Rs. Billion)



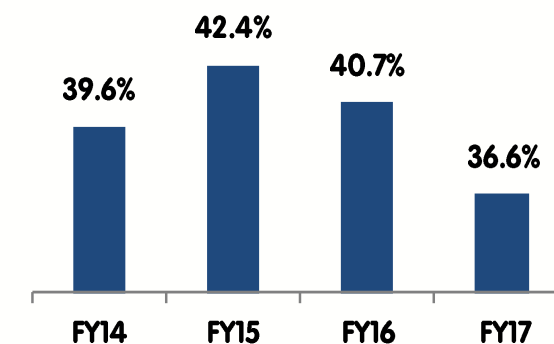
## Yield and Net Interest Margin

(%)



## Cost-to-income Ratio

(%)



# Reliance Home Finance

### Continued robust growth with superior asset quality

- **AUM increased to Rs. 111.7 billion (+52%)** as on March 2017
- **FY17 disbursements increased by 87% Rs. 73.3 billion**
- **Affordable Housing**: new sales of Rs. 11.0 billion (+39%); **avg. ticket size of Rs. 1.1 million**
- Profit before tax at Rs. 1.4 billion (+1%); **return on equity at 17.7%**
- **Gross NPAs improved to 0.8% (on 90 dpd basis) vis-à-vis 1.1% in Dec 2016**

### Wide distribution network with focus on self-employed clientele

- Present in **90 locations** through a 'hub and spoke' model with **over 33,300 customers**
- **Over 1,750 distribution partners** across the country



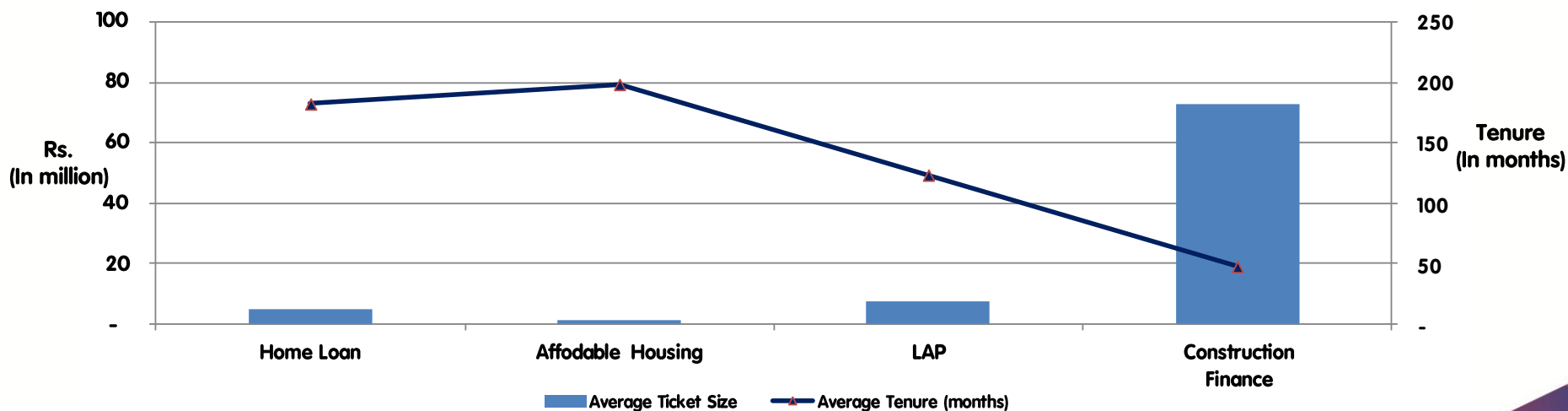
# Segment Detail - Reliance Home Finance

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(As on Mar 2017)

Segment	Focus Area for growth	LTV	Share in Total AUM	Avg. Yield
Home Loan	Self Employed & Salaried	53%	38%	10.3%
Affordable Housing	Affordable Housing in Tier I & II cities	61%	20%	10.5%
Loan against Property	Self employed / SMEs	45%	18%	13.5%
Construction Finance	Developer Financing	28%	20%	15.9%



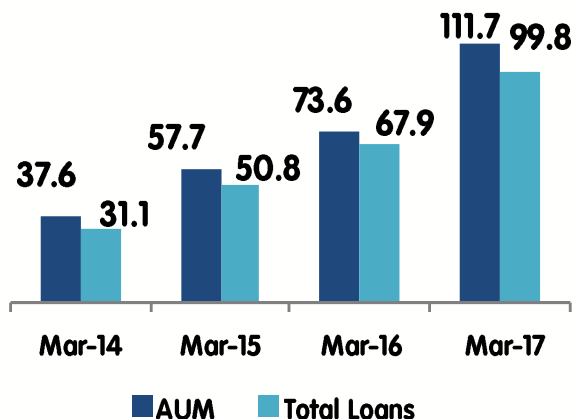
# Financial Performance - Reliance Home Finance

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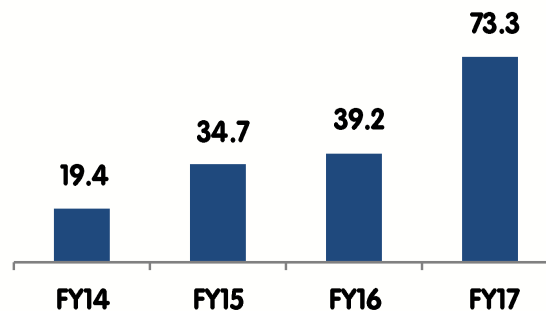
## AUM and Total Loan Portfolio

(Rs. Billion)



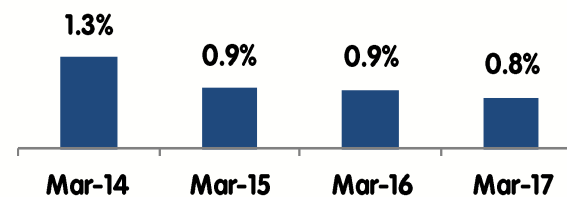
## Disbursements

(Rs. Billion)



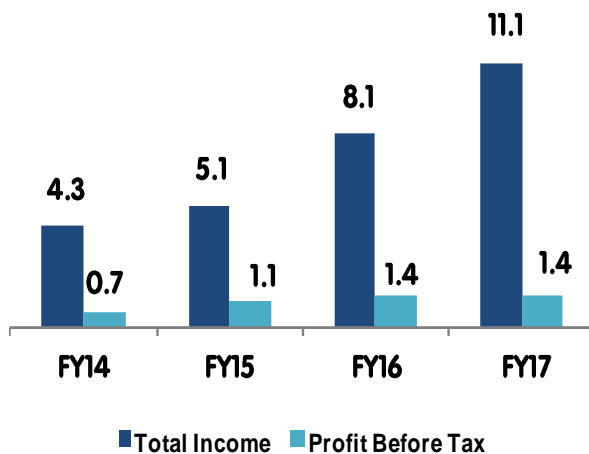
## Gross NPLs

(%)



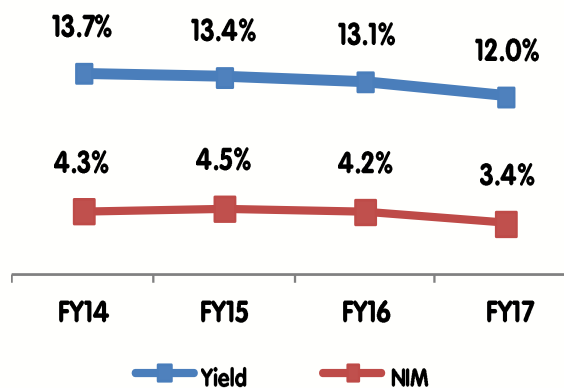
## Total Income and Profit Before Tax

(Rs. Billion)



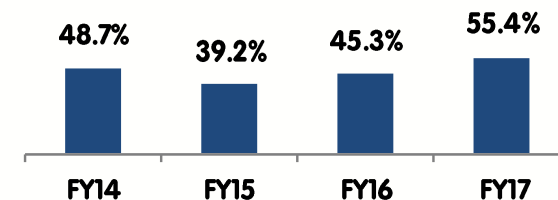
## Yield and Net Interest Margin

(%)



## Cost-to-income ratio

(%)



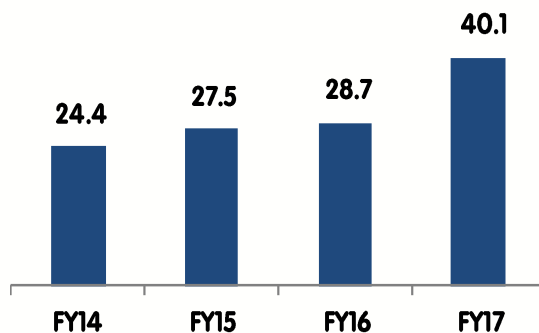
# Reliance General Insurance

- **7.3% market share in the private sector; largest agency force of over 24,500**
- FY17 premium growth was driven by crop insurance as well as better-than-industry growth in private car, health, travel and commercial line segments
- **Strong bancassurance partnerships commenced in FY17;** expect to achieve optimum productivity in the coming quarters
- **Online channel: Premium rose by 55%; policies sold increased by 66%**
- **FY17 PBT at Rs. 1.3 billion (+32%)** after impact of Rs. 1.7 billion on account of strengthening of IBNR reserves
- **Return on equity improved from 9% to 11% in FY17**

# Financial Performance - Reliance General Insurance

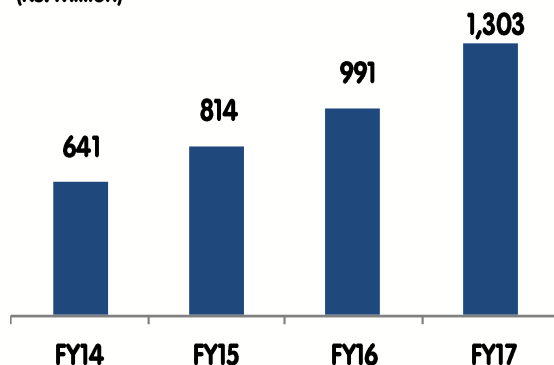
## Gross Written Premium

(Rs. Billion)



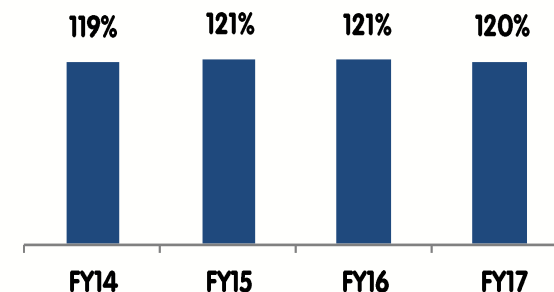
## Profit Before Tax

(Rs. Million)

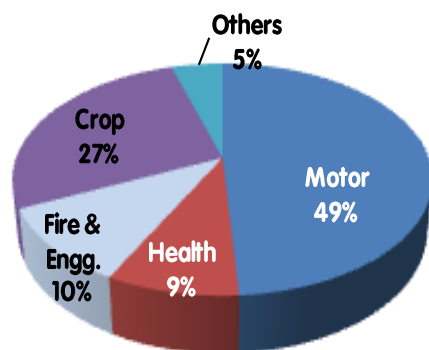


## Combined Ratio

(%)

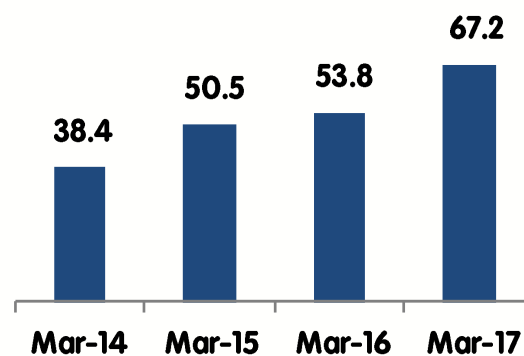


## Business mix



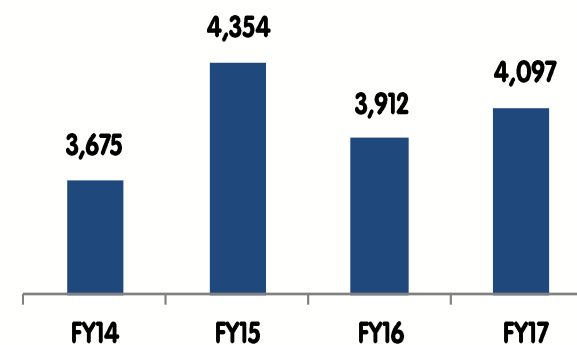
## Investment Book

(Rs. Billion)



## No. of Policies Issued

(in '000s)



# Reliance Nippon Life Insurance

### Focus on profitable and healthy business

- **Largest network of 750 offices** and ~30 lakh in-force policies - **the widest footprint in the country**
- Strong increase in customer stickiness with **persistency improving from 60% to 65% in FY17**
- **Focus on traditional segment (79% on Ind. NBP)**; share of both par and ULIP segments rose in FY17
- In FY17, topline declined as the business weeded out **unprofitable and poor quality business**
  - **Pace of decline** in Individual WRP **reduced considerably in H2** vis-à-vis H1 FY17

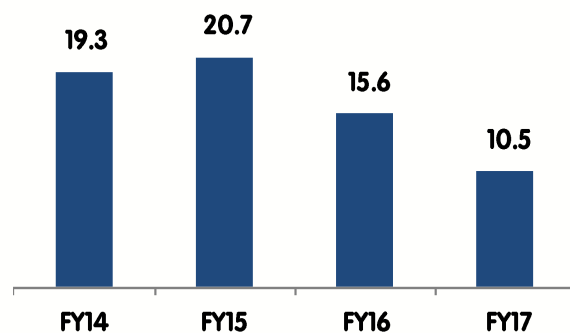
### Key financial metrics

- **Reduction in opex + commission ratio** from 45% to 30% in FY17
- **Embedded value at Rs. 30.4 billion (+11%); Highest NBAP margin (26.8%) in the industry**
- **Assets under Management at Rs. 172.5 billion (+8%)**
- **Higher solvency margin (272%) maintained at all times** vis-à-vis regulatory requirement of 150%

# Financial Performance - Reliance Nippon Life Insurance

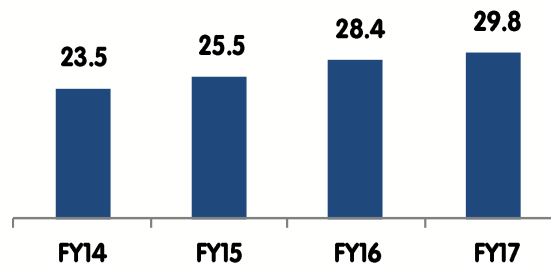
## New Business Premium

(Rs. Billion)



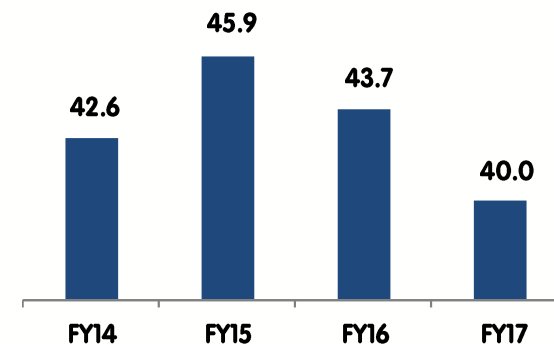
## Renewal Premium

(Rs. Billion)



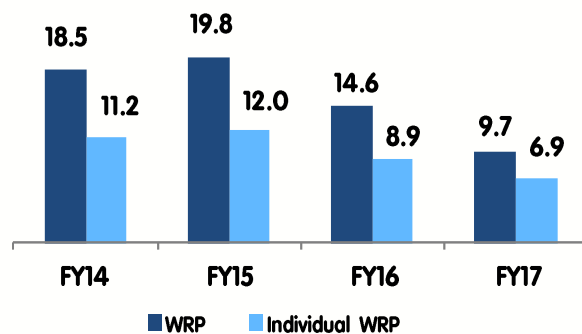
## Total Premium (net of reinsurance)

(Rs. Billion)



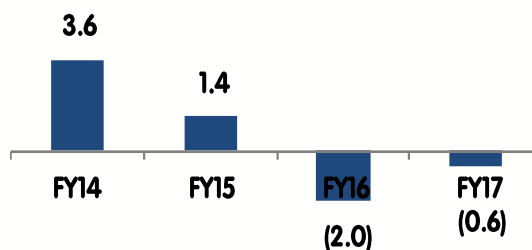
## Weighted Received Premium

(Rs. Billion)



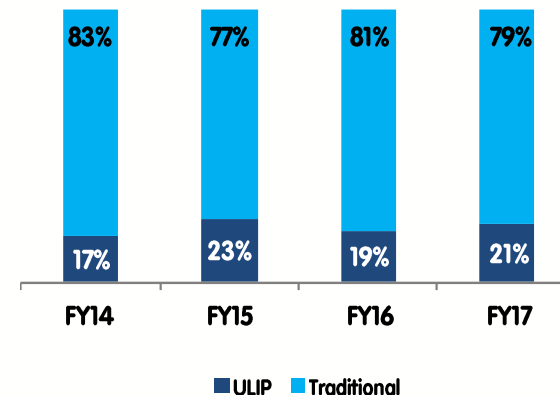
## Profit Before Tax

(Rs. Billion)



## Business Mix

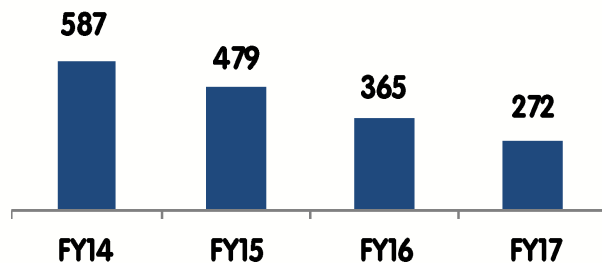
(%)





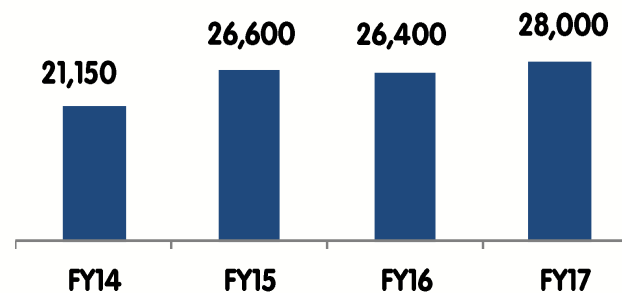
## No. of Individual Policies sold

(in '000s)



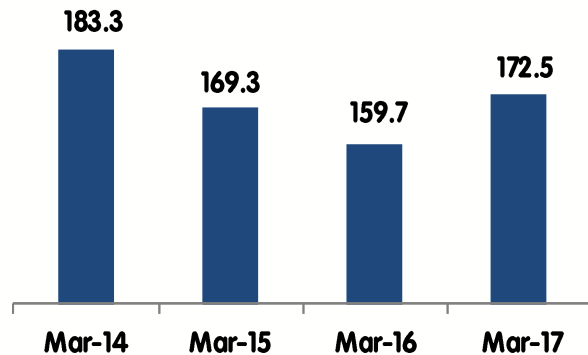
## Average Ticket size (approx.)

(Rs.)



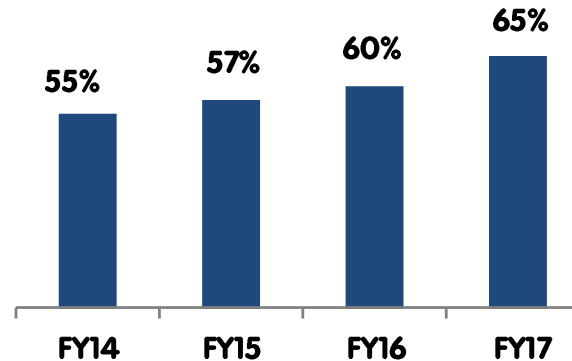
## Funds under Management

(Rs. Billion)



## Persistency

(%)



**Embedded Value at Rs. 30.4 billion (TEV Methodology) as on March 2017 - up 11%**

Key parameters	Sensitivity	New Business Achieved Profit (Rs. in Billion)	Embedded Value (Rs. in Billion)
Base case	-	2.0	30.4
Interest Rate	Increase by 1%	2.4	29.1
	Decrease by 1%	1.5	32.0
Persistency	Increase by 10%	2.0	30.5
	Decrease by 10%	1.9	30.3
Operating expenses	Increase by 10%	1.9	30.0
	Decrease by 10%	2.1	30.8
Mortality	Increase by 10%	1.9	29.9
	Decrease by 10%	2.1	30.9

# Broking and Distribution Businesses

## Transformation in the last two years

### Key business matrix

- **FY17 PBT of Rs. 415 mn** vis-à-vis loss of Rs. 912 mn in the previous fiscal; **return on equity at 16.4%**
- **Average daily turnover in equity segment rose by 48%** to Rs. 28.0 billion
- Average daily turnover in commodities segment remained stable at Rs. 3.4 billion
- **Mobile market share at 13.5%** in FY17
- **Wealth Management:** AUMs at Rs. 41.3 billion (+62%) as on March 2017

### Digital Transformation

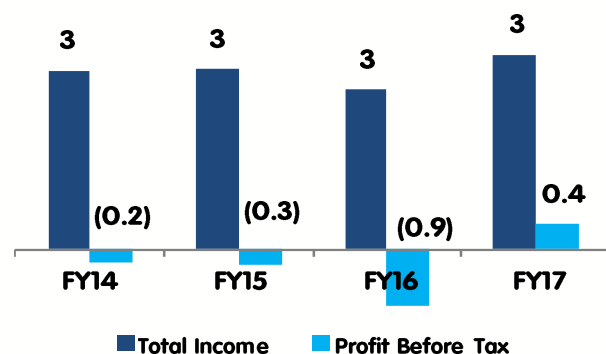
- **Industry First: Fully digital model** - Over 95% of the accounts are opened digitally and clients are able to trade on the same day
- **Integrated single platform for broking and distribution**

### Network and Client base

- **Extensive geographic footprint** - approx. 80 branches and **over 800 customer touch points**
- **Broking accounts : Equity over 800,000 (+3%) | Commodity over 80,000 (+25%)**

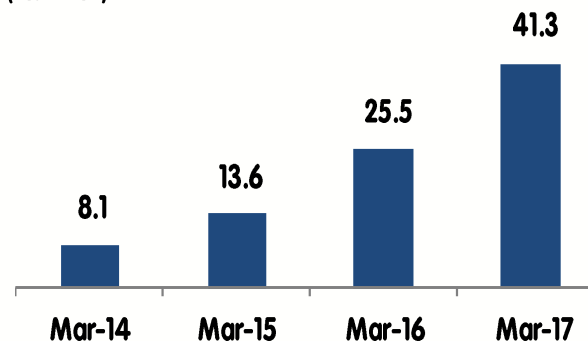
## Total income & Profit Before Tax

(Rs. Billion)



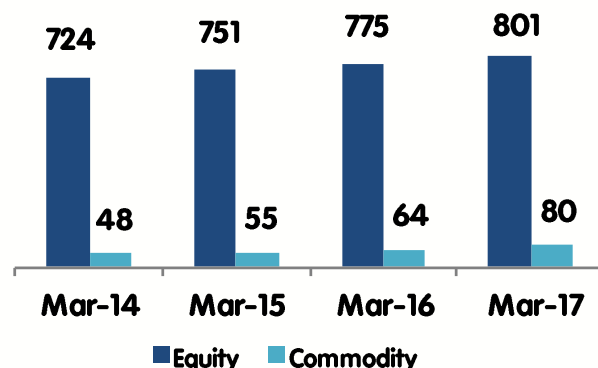
## Wealth Management AUM

(Rs. Billion)



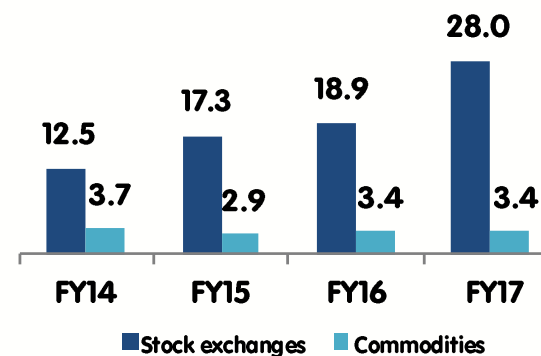
## Equity and Commodity Broking Accounts

(in '000s)

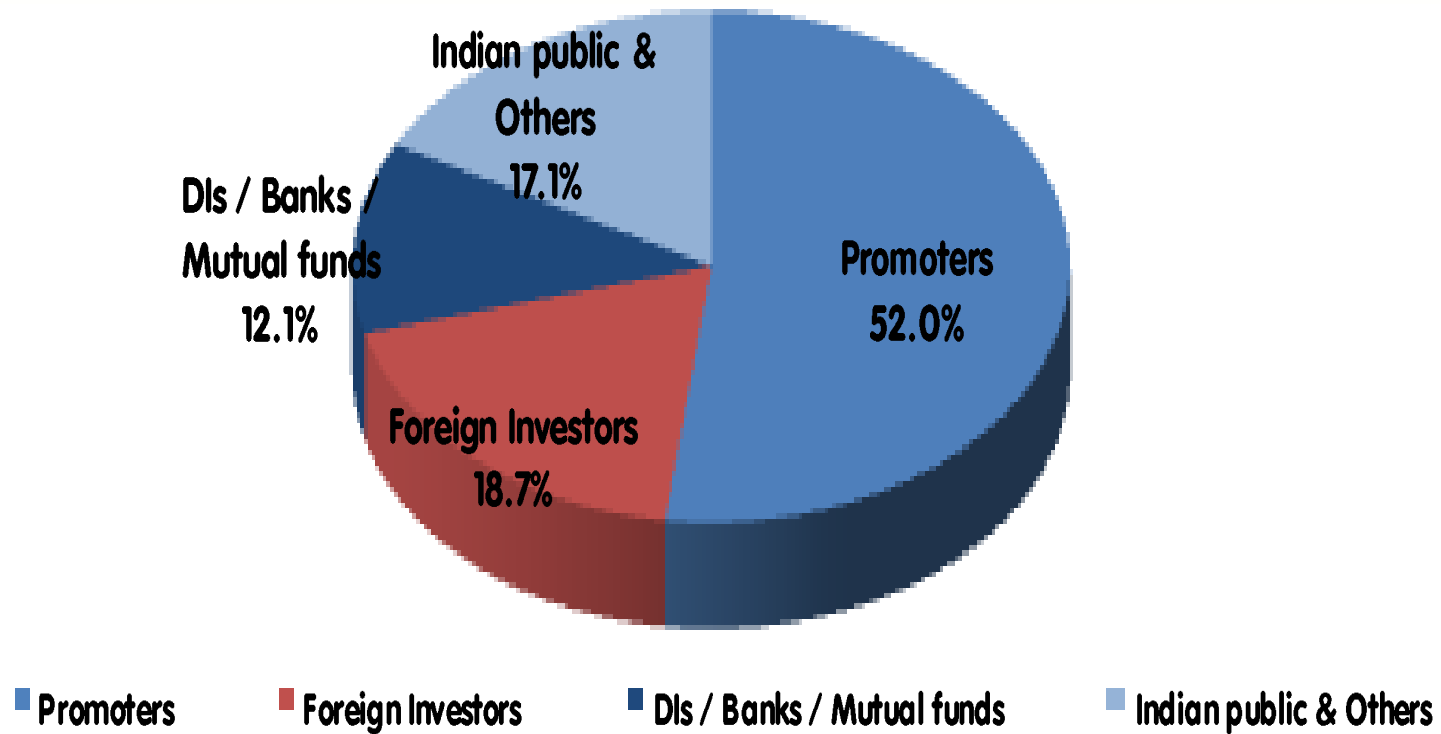


## Average Daily Turnover (Stock exchanges and Commodities)

(Rs. Billion)



(As on March 31, 2017)



- **Approx. 1 million shareholders**
- **Part of Nifty Midcap 50 and MSCI Global Small Cap Index**
- **Traded in futures & options segment**

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Thank you

# Annexure



## Balance Sheet

(Rs. Million)	Mar 31, 2017	Mar 31, 2016	Mar 31, 2015	Mar 31, 2014
Capital	2,532	2,532	2,532	2,445
Reserves	167,124	153,375	137,403	126,904
Borrowings	392,606	280,354	261,388	255,766
Other Liabilities	259,832	234,857	73,079	70,162
<b>Total</b>	<b>822,094</b>	<b>671,118</b>	<b>474,401</b>	<b>455,277</b>
Cash / bank balance	57,253	33,346	16,240	26,629
Investments	344,789	252,799	158,819	161,577
Loans	333,415	300,868	267,905	224,618
Fixed assets	57,475	55,155	5,316	4,831
Other Assets	29,161	28,949	26,121	37,621
<b>Total</b>	<b>822,094</b>	<b>671,118</b>	<b>474,401</b>	<b>455,277</b>

## Funding Profile

(Rs. Million)	Mar 31, 2017	Mar 31, 2016	Mar 31, 2015	Mar 31, 2014
Bank Loans	137,984	132,022	107,329	106,393
Commercial Papers	54,627	33,222	36,499	48,604
NCDs	199,880	113,711	116,272	100,278
Others	115	1,398	1,288	491
<b>Total</b>	<b>392,606</b>	<b>280,354</b>	<b>261,388</b>	<b>255,766</b>

## Profit &amp; Loss statement

(Rs. Million)	Q4 FY17	Q4 FY16	Q3 FY17	FY 2017	FY 2016
Interest Income	15,025	10,025	14,131	55,866	42,410
Capital Gains / Dividend	4,330	6,521	2,013	13,373	9,285
Premium Earned	21,048	6,672	18,328	80,196	28,621
Mgmt. & Advisory Fee	3,800	3,131	3,364	13,608	12,267
Brokerage & Comm.	1,433	596	575	4,167	2,842
Other Income	5,229	1,330	1,227	9,184	4,554
<b>Total Income</b>	<b>50,865</b>	<b>28,275</b>	<b>39,637</b>	<b>176,396</b>	<b>99,979</b>
Interest & Fin. Charges	8,300	7,265	7,806	30,677	28,206
Other Expenses	37,835	13,787	28,406	130,330	54,448
<b>Total Expenses</b>	<b>46,134</b>	<b>21,053</b>	<b>36,213</b>	<b>161,007</b>	<b>82,654</b>
<b>Profit before tax</b>	<b>4,730</b>	<b>7,223</b>	<b>3,424</b>	<b>15,388</b>	<b>17,325</b>
<b>Net profit after tax</b>	<b>4,168</b>	<b>4,154</b>	<b>2,095</b>	<b>10,859</b>	<b>11,006</b>

## Profit &amp; Loss statement

(Rs. Million)	Q4 FY17	Q4 FY16	Q3 FY17	FY 2017	FY 2016
Income	4,062	3,458	3,582	14,359	13,138
Expenses	2,463	2,141	2,063	8,546	8,114
Profit before tax	1,598	1,317	1,518	5,813	5,024

(Rs. Billion)	Mar 31, 2017	Mar 31, 2016	Mar 31, 2015	Mar 31, 2014
Debt	1,411	1,090	906	767
Equity	570	477	450	246
ETFs	100	4	-	-
Gold	28	14	15	22
Managed Accounts	13	15	16	15
Pension Funds	1,427	1,223	994	836
Offshore Funds	19	43	60	50
Alternative Invst. Fund	13	10	5	-
Total AAUM	3,581	2,874	2,446	1,936

## Profit & Loss statement

(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

## Profit & Loss statement

(Rs. Million)	Q4 FY17	Q4 FY16	Q3 FY17	FY 2017	FY 2016
Disbursements	29,573	12,121	12,029	73,331	39,217
Net Interest Income	420	589	629	2,168	2,289
Total Income	3,435	2,233	2,689	11,141	8,147
Interest expenses	2,323	1,450	1,798	7,531	5,358
Other expenses	734	397	453	1,999	1,264
Provisions	(37)	39	93	232	165
Profit before tax	414	347	345	1,378	1,361

## Profit & Loss statement

(Rs. Million)	Q4 FY17	Q4 FY16	Q3 FY17	FY 2017	FY 2016
Gross Written Premium	7,917	6,666	8,554	40,071	28,680
Profit / (loss) before tax	424	242	183	1,303	991
Investment book	67,243	53,814	64,830	67,243	53,814
Combined ratio	115%	122%	132%	120%	121%
No. of policies issued (in million)	1.1	1.1	1.0	4.1	3.9

## Profit & Loss statement

(Rs. Million)	Q4 FY17	Q4 FY16	Q3 FY17	FY 2017	FY 2016
First year premium	3,050	3,437	1,853	9,573	14,467
Single premium	203	283	294	943	1,116
Total New business premium	3,252	3,720	2,146	10,516	15,583
Renewal Premium	9,864	10,096	7,757	29,752	28,398
Total premium (net of reinsurance)	13,053	13,750	9,808	39,993	43,706
Profit before tax	(615)	(2,553)	1	(611)	(1,973)
Total funds under management	172,531	159,696	162,466	172,531	159,696

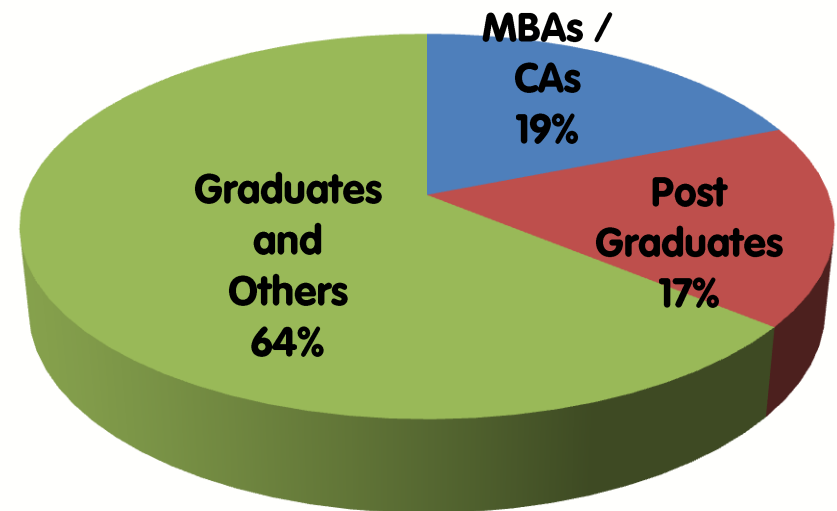


## Profit & Loss statement

(Rs. Million)	Q4 FY17	Q4 FY16	Q3 FY17	FY 2017	FY 2016
Total Income	939	536	810	3,083	2,529
Total expenses	872	1,289	671	2,667	3,441
Profit before tax	67	(753)	139	415	(912)

- **Approx. 15,600 employees**
- **73% in Customer Facing roles**
- **Young workforce**
- **Post Graduates and Professionals form 36% of the total workforce**
- **2,000 women employees**

## Qualification profile



**Young & vibrant workforce - average age of 35 years**