

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

RELIANCE

CAPITAL

Results for the quarter ended June 30, 2018

Investor Presentation

September 11, 2018

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

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

Q1 Profit After Tax at Rs. 2.7 billion and Total asset size at Rs. 870.4 billion

Over **20 million** customers, 18,750 employees, and over **Rs. 4.7 trillion in AUM**

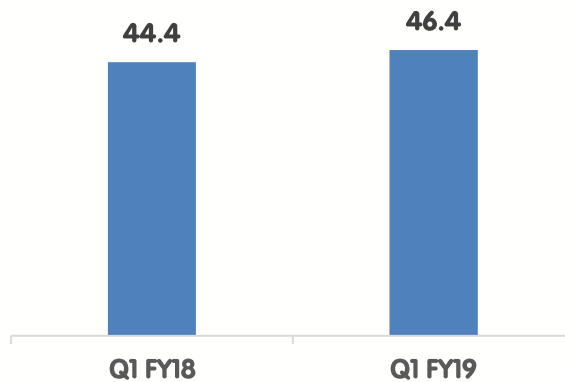
Key Performance Highlights

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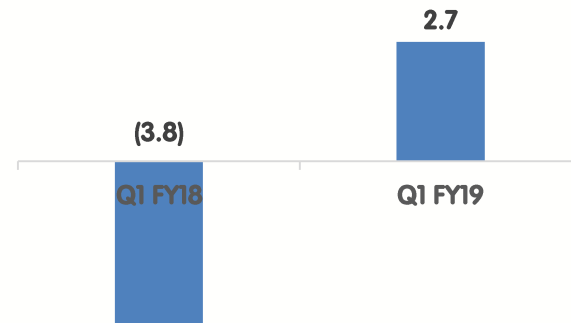
Total Income

(Rs. billion)



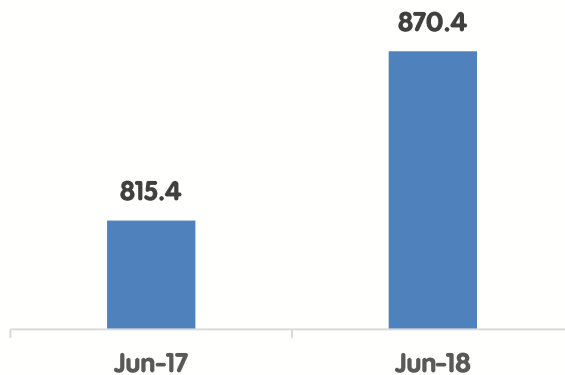
Profit After Tax

(Rs. billion)



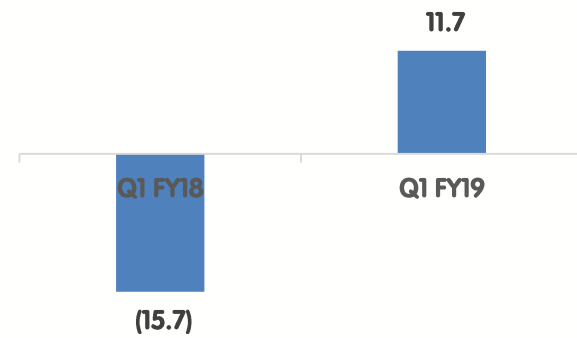
Total Assets

(Rs. billion)



Earnings Per Share

(Rs.)



Reliance Nippon Life Asset Management



- **One of India's largest asset manager** with AUM of Rs. 4.1 trillion (+12%)
- **One of the most Profitable AMCs** in the Industry (**Q1 FY19 PBT: Rs. 1.6 billion; +6%**)

Strong Retail Franchise

- **Strong recurring flows:** Long-term **SIP** book has helped in building a stable asset base
 - SIP & STP count amongst the highest in the Industry - **2.9 million**
 - **Annualised inflows of approx. Rs. 100 billion**
- **Approx. 8.4 million (+20%) investor folios** - Amongst the highest in the industry
- **MAAUM from smaller locations (B-30 segment)** rose to **over Rs. 390 billion**
- Presence across 298 locations (**added 16 new locations**) and over **68,500 empanelled distributors**

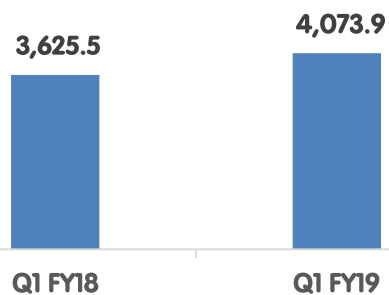
Diversified AUM base

- **MF Equity Assets** (as a share of total AAUM) **rose** from 29% **to 37% in Q1 FY19**
- **Only private AMC with all three Pension mandates** (EPFO, NPS, CMPFO)
- **One of the largest player in the ETF market (15.4% market share)**
 - Manages 16 ETFs across all asset classes with AAUM of over Rs. 130 billion
 - 90% market share in ETF volumes on the NSE and BSE
 - Innovator in Gold ETFs and largest gold ETF in India
 - First money market ETF in the world and only in India
- **Reliance AIF: commitment of over Rs. 22 billion** across various AIF schemes
- **Managing and advising assets of approx. Rs. 83 billion in Offshore AUMs**

Financial Performance - RNAM

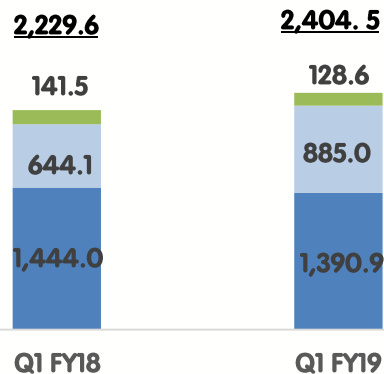
Assets under Management

(Rs. billion)



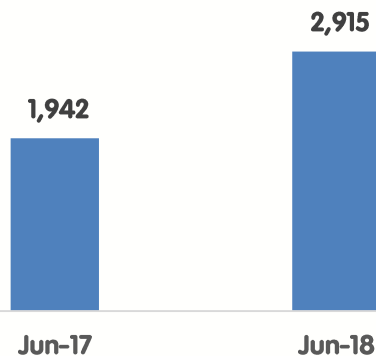
Mutual Fund AAUMs*

(Rs. billion)



No. of SIPs and STPs

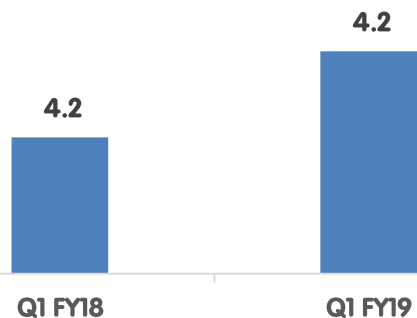
(In '000s)



■ Debt ■ Equity ■ ETF

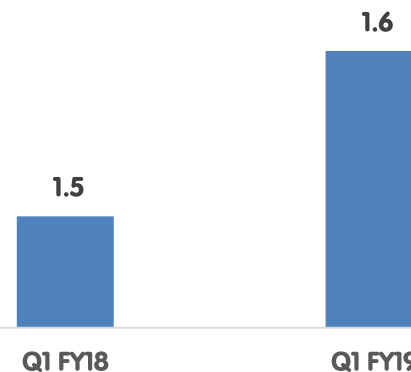
Total Income

(Rs. billion)



Profit Before Tax

(Rs. billion)



* average assets under management for the quarter

Reliance Commercial Finance



Diversified and new-age finance solutions provider

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

- **Outstanding loan book increased to Rs. 165.5 billion (+16%)** as on June 2018
- **Gross NPA improved to 2.9% as on June 2018** vis-à-vis 4.1% as on June 2017
- **Provision coverage ratio** rose from 50.2% to **63.3% as on June 2018**
- **Profit before tax** at **Rs. 723 million (+47%)** in Q1 FY19

Strong customer base; entry into Retail Finance segments

- Present in 150 cities, **over 1,000 distribution partners** across the country
- **Retail lending: Disbursed over 27K retail loans** in Q1 FY19
- **Digital Lending** fully functional with **salesforce.com** workflow backed by **FICO BRE** and **API engine on Oracle SOA**
 - **Partnered with PayU** for touch-free lending

Segment Detail - Reliance Commercial Finance

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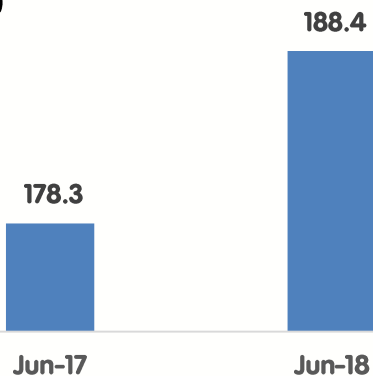
(As on June 2018)

Segment	Focus Area for growth	Average Yield	LTV	Share in Total AUM
SME	Cluster-based growth approach	13%	89%	74%
Infra Lending	Small project bridge lending	13%	65%	4%
Microfinance	Lending to / through MFIs	22%	99%	8%
Retail	Two wheeler, used car and personal loans	19%	67%	3%
Others	Loan against Property, Developer Finance, CVs, etc.	13%	48%	12%

Financial Performance - Reliance Commercial Finance

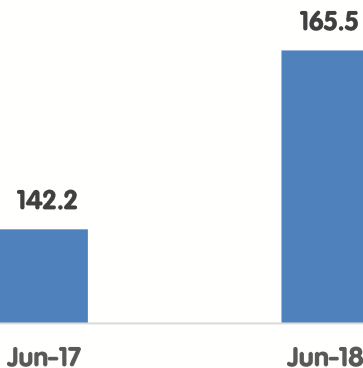
Assets under Management

(Rs. billion)



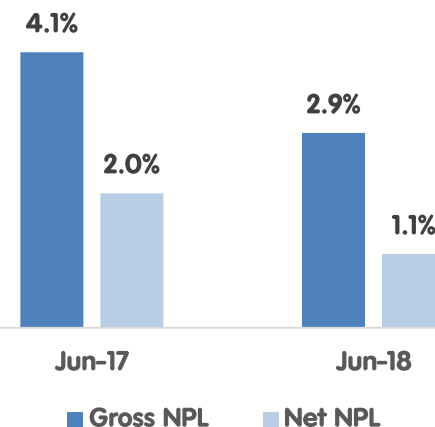
Total Loan Portfolio

(Rs. billion)



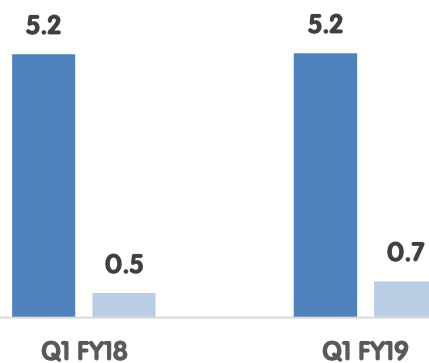
Asset Quality

(%)



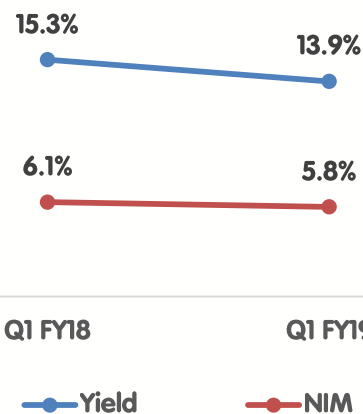
Total Income and Profit Before Tax

(Rs. billion)



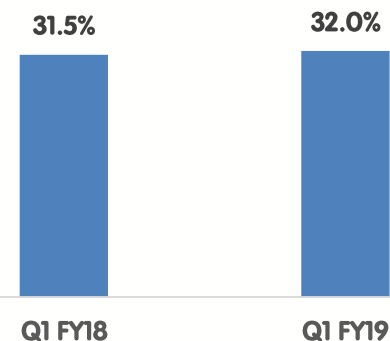
Yield and Net Interest Margin

(%)



Cost-to-income Ratio

(%)



■ Total Income ■ Profit Before Tax

● Yield ● NIM

Reliance Home Finance



Continued robust growth with superior asset quality

- **AUM** increased to **Rs. 156.4 billion (+21%)** as on June 2018
 - **75% of our Home Loan disbursements** cater to the **Self-Employed segment**
- **Profit before tax** at **Rs. 724 million (+56%)** in Q1 FY19
- **Gross NPAs** was stable at **0.8%**
- **Capital Adequacy** ratio was at **21.0%**; **Tier I ratio** at **13.8%**

Wide distribution network with focus on self-employed clientele

- Present in approx. **140 locations** through a 'hub and spoke' model with **over 45,000 client accounts**
- **Successfully launched the digital lending platform**

Segment Detail - Reliance Home Finance

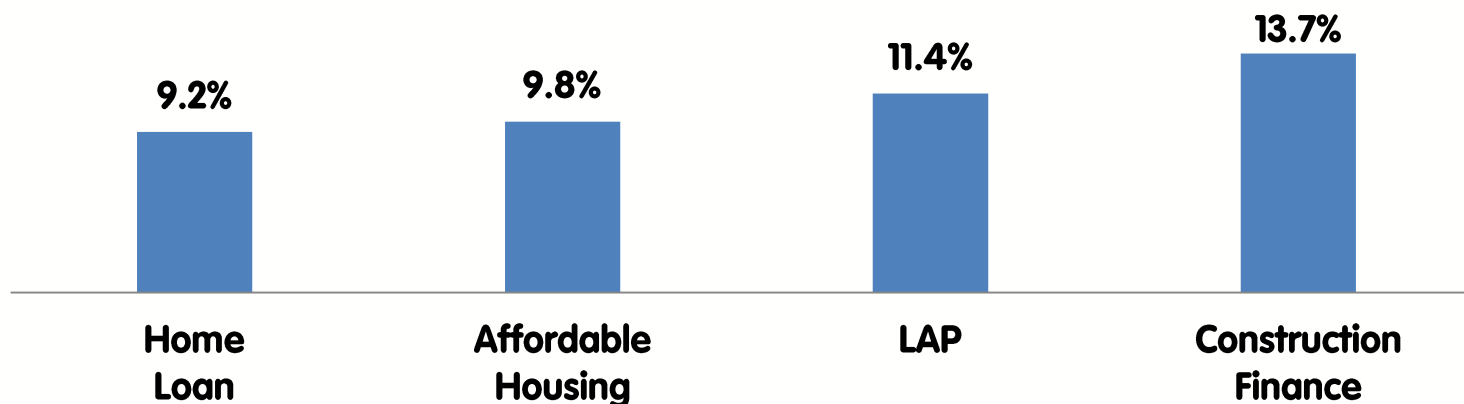
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(As on June 2018)

Segment	LTV	Share in Total AUM	Avg. Ticket Size (Rs. million)
Home Loan	55%	31%	6.2
Affordable Housing	65%	20%	1.5
Loan against Property	44%	20%	5.2
Construction Finance	56%	29%	162.4

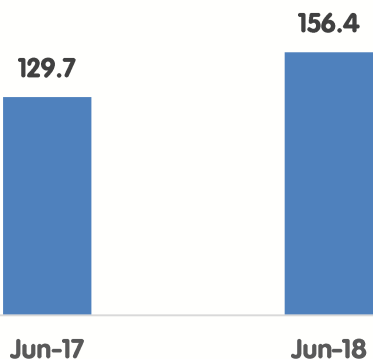
Average yield (%)



Financial Performance - Reliance Home Finance

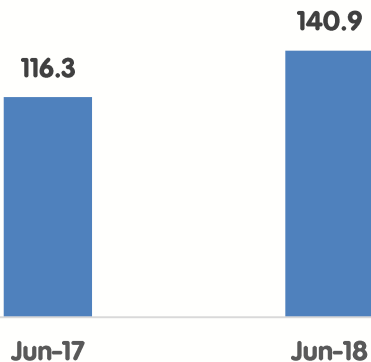
Assets under Management

(Rs. billion)



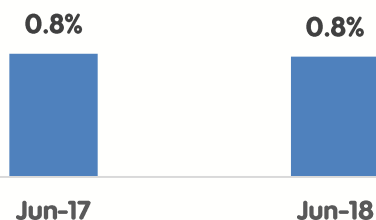
Total Loans

(Rs. billion)



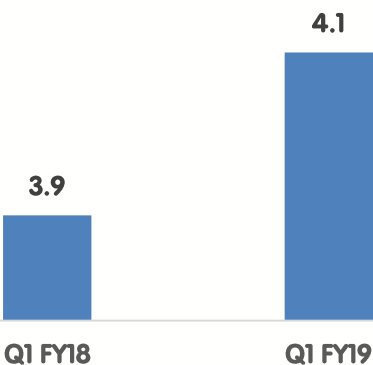
Gross NPLs

(%)



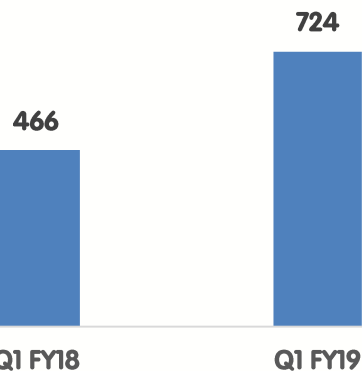
Total Income

(Rs. billion)



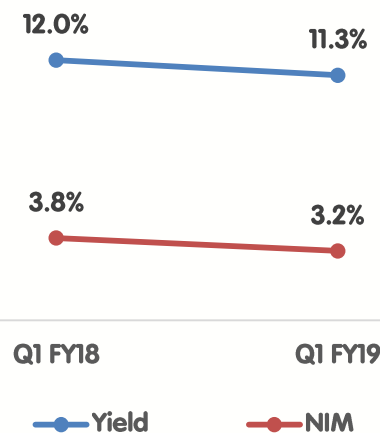
Profit Before Tax

(Rs. million)



Yield and Net Interest Margin

(%)



Reliance General Insurance

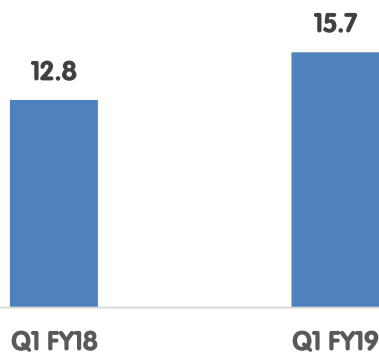


- **8.8% market share in the private sector; largest agency force of over 28,200 agents**
- **Gross written premium rose by 23% to Rs. 15.7 billion** as against industry growth of 12%
 - **Strong growth** in segments like **private cars, health, travel and commercial lines**
- **Online channel: policies sold** increased by **24%**; **premium** rose by **32%**
- **Q1 FY19 PBT at Rs. 574 million (+30%)**; net worth at Rs. 14.6 billion (+13%) as on June 2018
- **Diversified distribution network with strong line-up of banca tie-ups with major banks**
- **Combined ratio remained stable at 104%** in Q1 FY19
- **Q1 FY19 return on equity at 16%**; solvency margin at 161%

Financial Performance - Reliance General Insurance

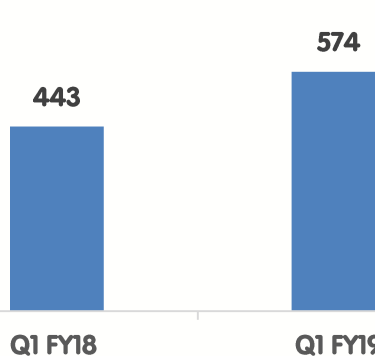
Gross Written Premium

(Rs. billion)



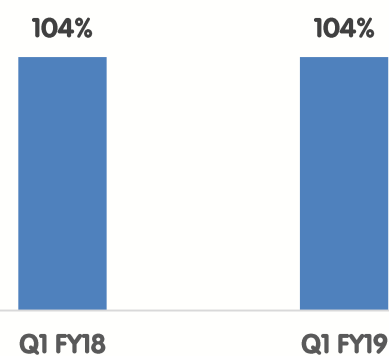
Profit Before Tax

(Rs. million)

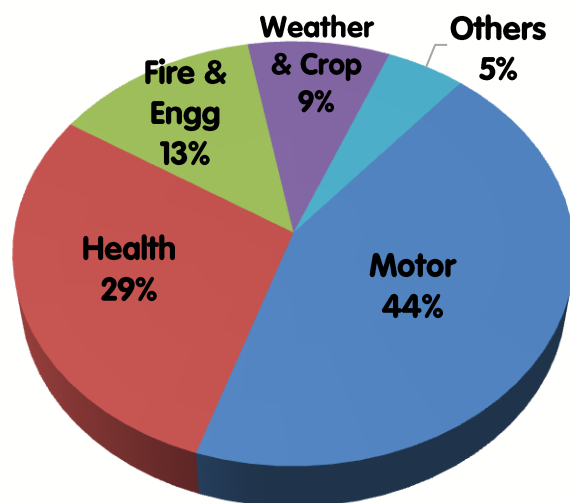


Combined Ratio

(%)

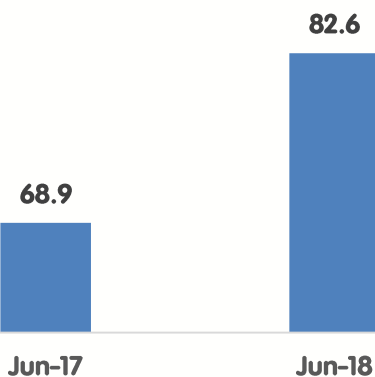


Business mix



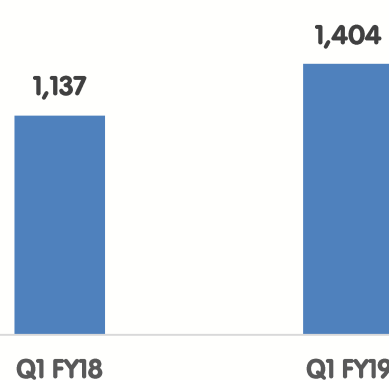
Investment Book

(Rs. billion)



No. of Policies Issued

(in '000s)



* Financials are based on IRDAI reporting

Reliance Nippon Life Insurance



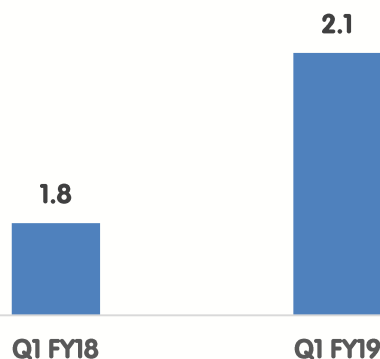
Focus on profitable and healthy business

- **Individual WRP was Rs. 1.7 billion (+23%); Renewal Premium at Rs. 5.5 billion (+6%)**
- **Total premium increased to Rs. 7.5 billion (+8%) in Q1 FY19**
- **Average ticket size improved by 22% to over Rs. 38,900;** traditional products formed 69% of the Individual New Business premium
- **Strong rise in persistency from 66% to 71% in Q1 FY19**
- **Assets under Management increased to Rs. 193.3 billion (+11%)**
- **Solvency margin at 267%** vis-à-vis regulatory requirement of 150%
- **Largest network of approx. 750 offices and approx. 52,000 active advisors**

Financial Performance - Reliance Nippon Life Insurance

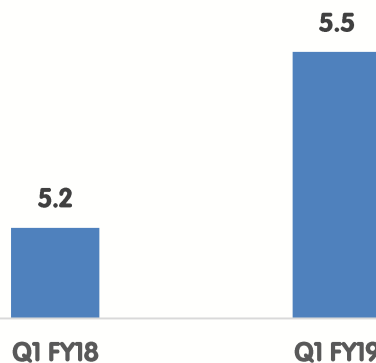
New Business Premium

(Rs. billion)



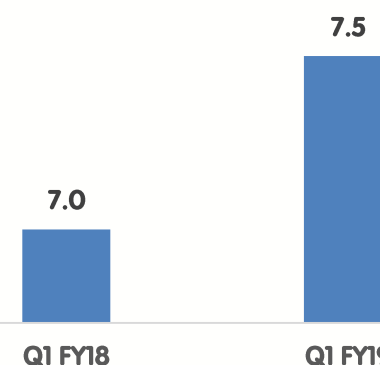
Renewal Premium

(Rs. billion)



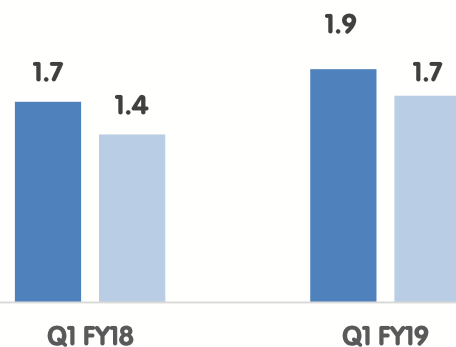
Total Premium (net of reinsurance)

(Rs. billion)



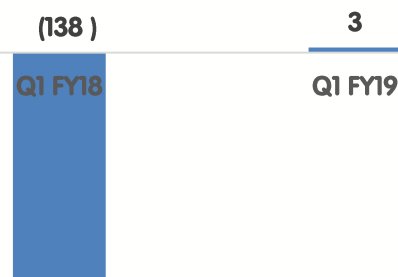
Weighted Received Premium

(Rs. billion)



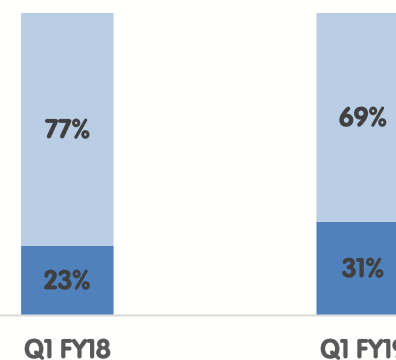
Profit Before Tax

(Rs. million)



Business Mix (Ind. New Business)

(%)



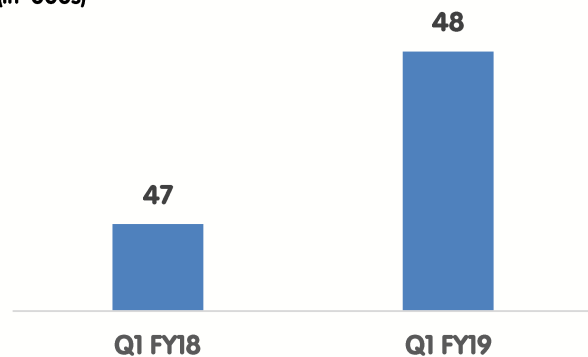
■ WRP ■ Individual WRP

■ ULIP ■ Traditional

* Financials are based on IRDAI reporting

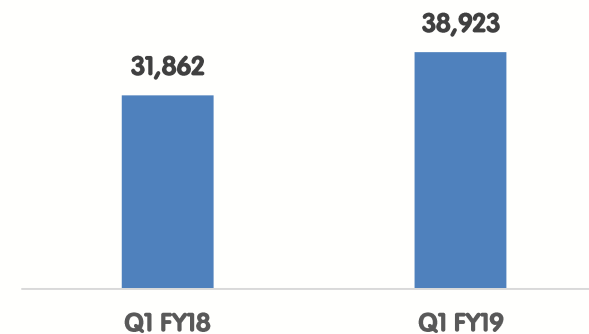
No. of Individual Policies sold

(in '000s)



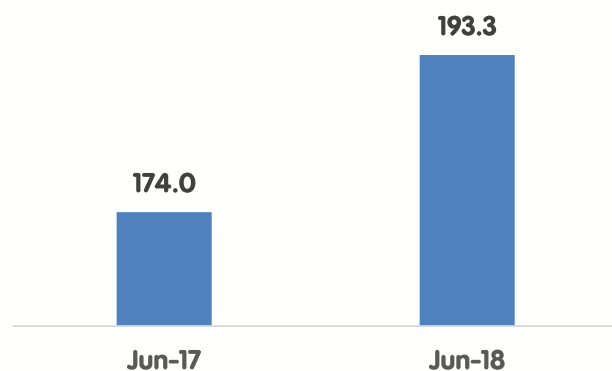
Average Ticket size (approx.)#

(Rs.)



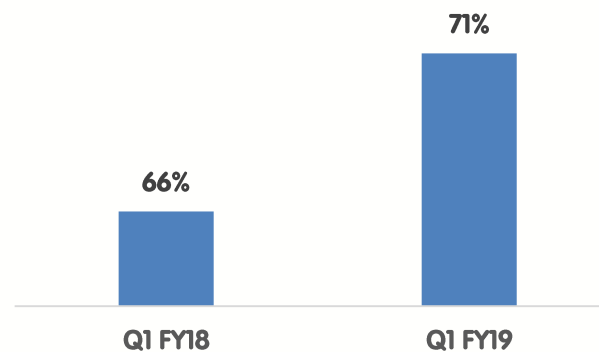
Funds under Management

(Rs. billion)



Persistency

(%)



Based on New Business Premium

* Financials are based on IRDAI reporting

Broking and Distribution Businesses



Transformation in the last two years

Key business matrix

- Revenue increased from Rs. 749 million to Rs. 821 million (+10%) in Q1 FY19
- Q1 FY19 PBT rose to Rs. 77 million (+316%); return on equity at 15%
- Average daily stock exchange turnover rose by 29% to Rs. 50.9 billion
- Wealth Management: AUMs at Rs. 51.4 billion (+29%) as on June 2018

Digital Transformation

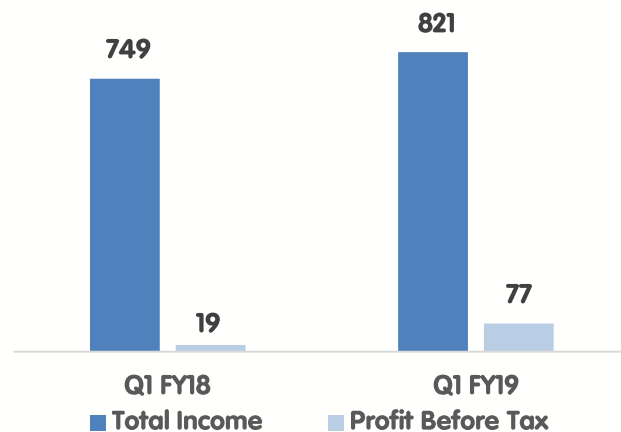
- **Industry First: Fully digital model** - 97% of the accounts are opened digitally and clients are able to trade on the same day
- **Integrated single platform for broking and distribution**

Network and Client base

- **Extensive geographic footprint** - over 100 branches and **approx. 1,300 customer touch points**
- **Broking accounts : Equity approx. 860,000 (+5%) | Commodity over 104,000 (+21%)**

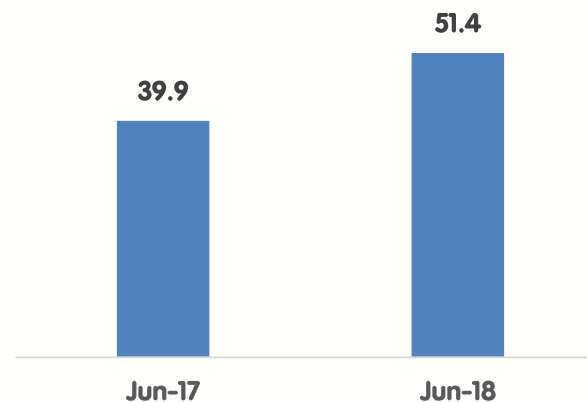
Total income & Profit Before Tax

(Rs. million)



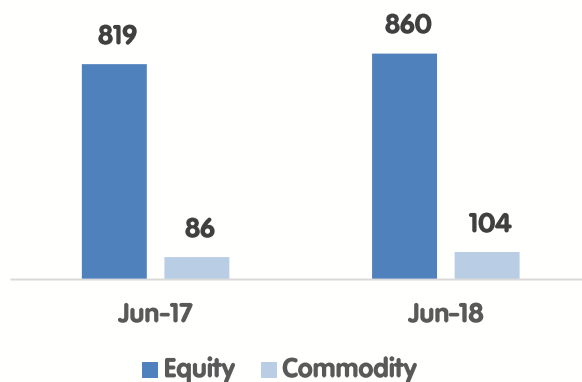
Wealth Management AUM

(Rs. billion)



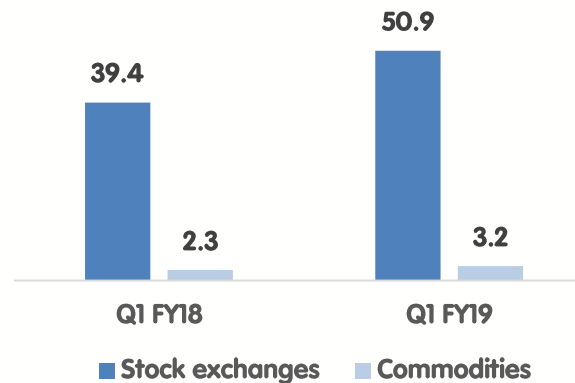
Equity and Commodity Broking Accounts

(in '000s)

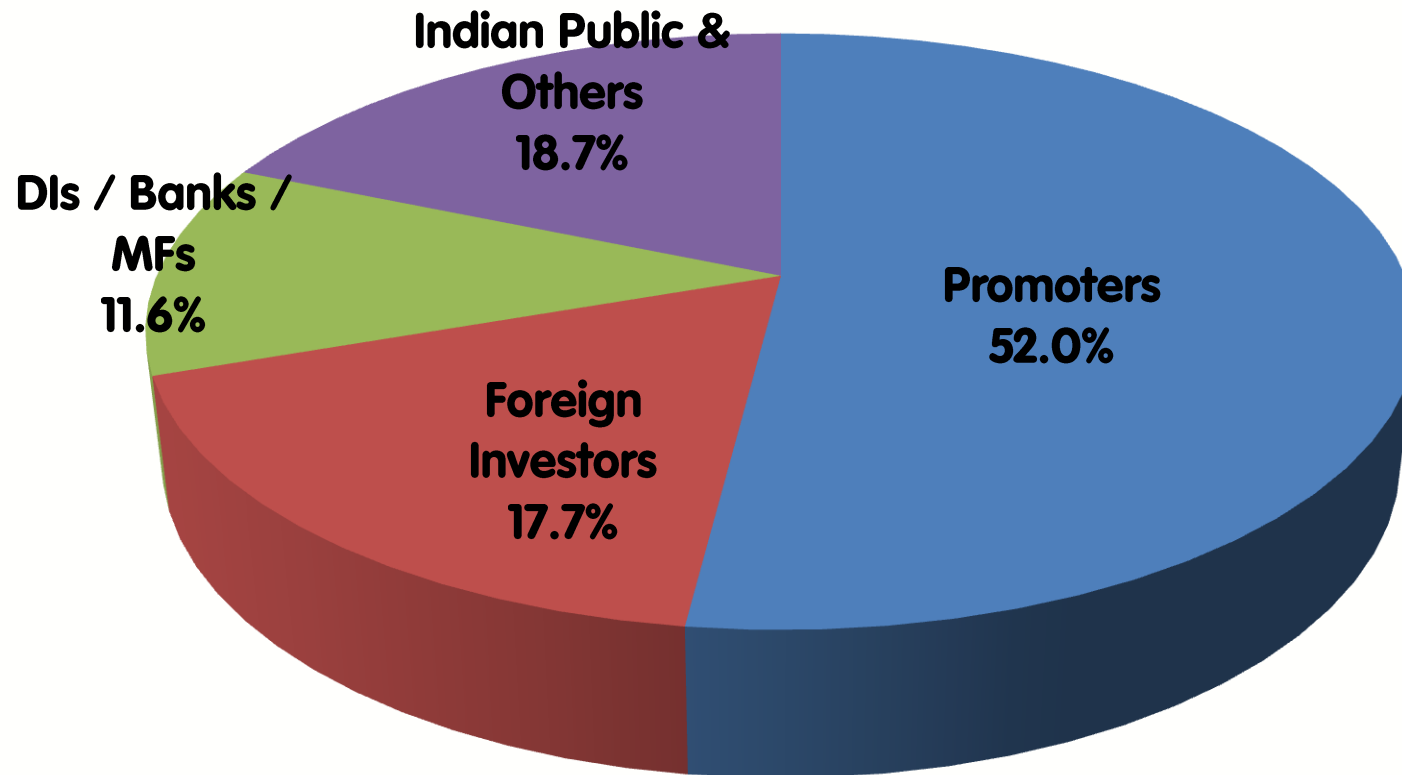


Average Daily Turnover (Stock exchanges and Commodities)

(Rs. billion)



(As on June 30, 2018)



- 0.8 million shareholders
- Part of MSCI Global Small Cap Index
- Traded in futures & options segment

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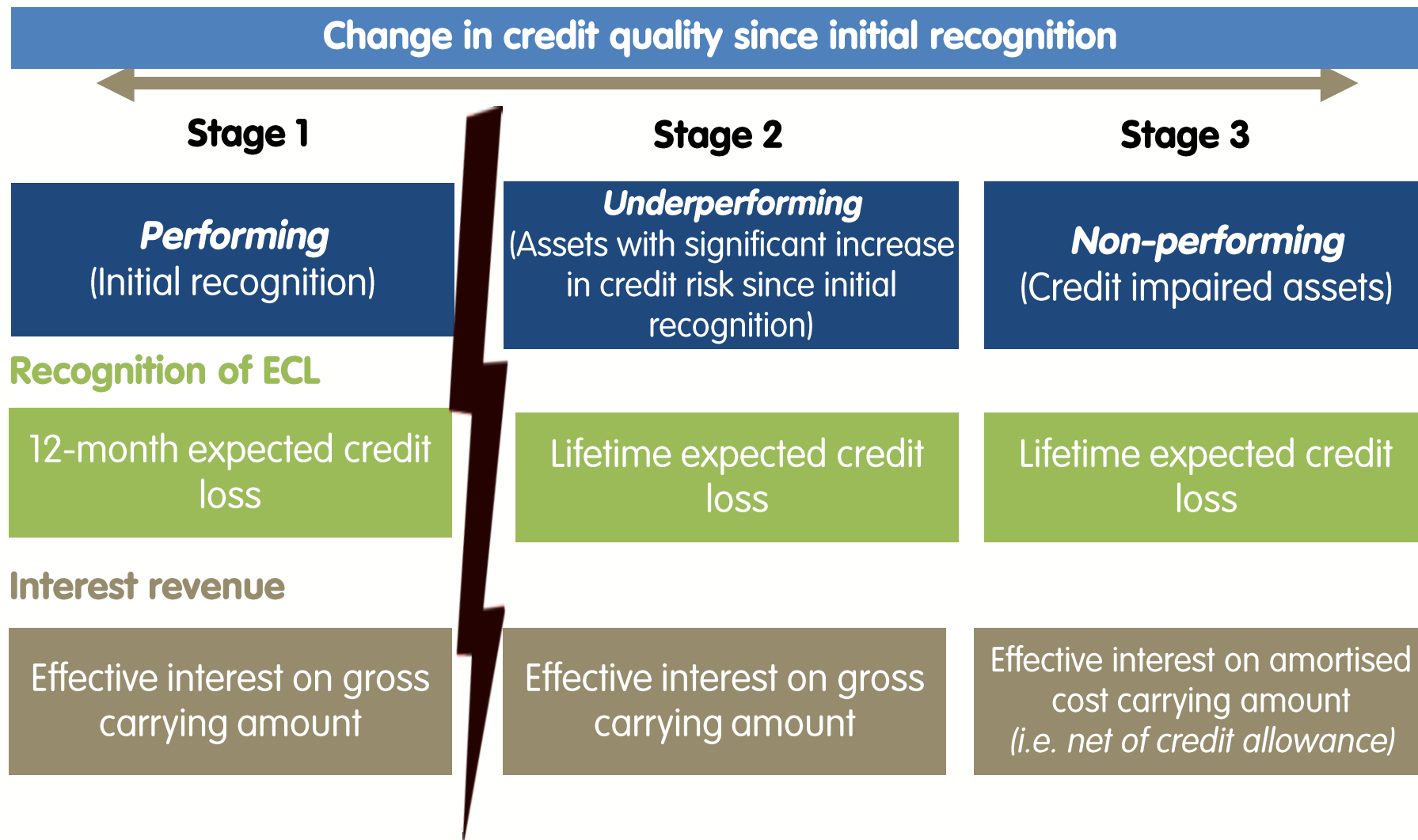
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Thank you

Annexure



Key Changes	Impacted Line Item	IGAAP	IND AS
Fair Value of Investments	Income from Operations/Other Expenses	Only diminution in fair value considered	Fair Value Method
Credit Costs	Other Expenses	Specified by Regulators	Expected Credit Loss (ECL) Model
ESOP Valuation	Employee Cost	Intrinsic method	Fair Value based on Black Scholes pricing model
Fee Income	Other Income	Booked upfront	Amortized (as applicable)



Reconciliation of Consolidated profit with previous GAAP

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(Rs. million)	Q1 FY18
Net profit or loss as per Previous GAAP (Indian GAAP)	2,810
Add/Less: Adjustments	
Expected Credit Loss on Loan and Interest (ECL)	(4,420)
Effect of scheme amalgamation / merger	(98)
Fair valuation of Investments	(2,164)
EIS on Direct Assignment (Recognized Upfront)	523
Deferred tax impact on account of Ind AS adjustment	(154)
Effect of reclassification of subsidiary into associate as per Ind AS	(528)
Others adjustment as per Ind AS	103
Net profit / (loss) as per Ind AS	(3,929)
Other Comprehensive income after tax as per Ind AS	(207)
Total comprehensive income for the period	(4,136)

Profit & Loss statement

(Rs. million)	Q1 FY19	Q1 FY18	Change (y-o-y)
Interest Income	18,657	16,056	16%
Capital Gains / Dividend	1,758	2,863	(39%)
Premium Earned	23,239	19,696	18%
Mgmt. & Advisory Fee	326	451	(28%)
Brokerage & Comm.	548	479	14%
Other Income	1,886	4,897	(61%)
Total Income	46,414	44,443	4%
Interest & Fin. Charges	10,802	9,949	9%
Other Expenses	32,504	38,293	(15%)
Total Expenses	43,306	48,242	(10%)
Profit before tax	3,098	(3,800)	-
Profit after tax	2,718	(3,785)	-

Profit & Loss statement

(Rs. million)	Q1 FY19	Q1 FY18	Change (y-o-y)
Income	4,245	4,189	1%
Expenses	2,616	2,651	(1%)
Profit before tax	1,624	1,538	6%

(Rs. billion)	June 30, 2018	Mar 31, 2018	June 30, 2017	Mar 31, 2017
Debt	1,321.4	1,291.3	1,303.0	1,281.0
Equity	871.5	841.8	662.8	609.8
ETFs	101.7	103.5	107.7	117.9
Gold	23.1	24.0	26.0	27.2
Managed Accounts	10.8	11.6	11.8	12.8
Pension Funds	1,695.7	1,642.8	1,478.8	1,425.1
Offshore Funds	27.4	28.0	22.1	19.1
Alternative Invst. Fund	22.4	20.8	13.4	13.2
Total AAUM	4,073.9	3,963.7	3,625.5	3,506.0

Profit & Loss statement

(Rs. million)	Q1 FY19	Q1 FY18	Change (y-o-y)
Assets under Management	1,88,427	1,78,337	6%
Net Interest Income	2,089	1,892	10%
Total Income	5,246	5,226	-
Interest expenses	2,952	2,885	2%
Other expenses	734	738	(1%)
Provisions	838	1,112	(25%)
Profit before tax	723	491	47%

Profit & Loss statement

(Rs. million)	Q1 FY19	Q1 FY18	Change (y-o-y)
Assets under Management	1,56,416	1,29,714	21%
Net Interest Income	1,128	1,090	4%
Total Income	4,109	3,921	5%
Interest expenses	2,855	2,472	16%
Other expenses	500	563	(11%)
Provisions	29	421	(93%)
Profit before tax	724	466	56%

Profit & Loss statement

(Rs. million)	Q1 FY19	Q1 FY18	Change (y-o-y)
Gross Written Premium	15,709	12,779	23%
Profit / (loss) before tax	574	443	30%
Investment book	82,610	68,879	20%
Combined ratio	104%	104%	-
No. of policies issued (in million)	1.4	1.1	24%

Profit & Loss statement

(Rs. million)	Q1 FY19	Q1 FY18	Change (y-o-y)
First year premium	1,911	1,641	16%
Single premium	162	189	(15%)
Total New business premium	2,073	1,830	13%
Renewal Premium	5,520	5,212	6%
Total premium (net of reinsurance)	7,547	6,997	8%
Profit before tax	3	(138)	-
Total funds under management	1,93,346	1,73,998	11%

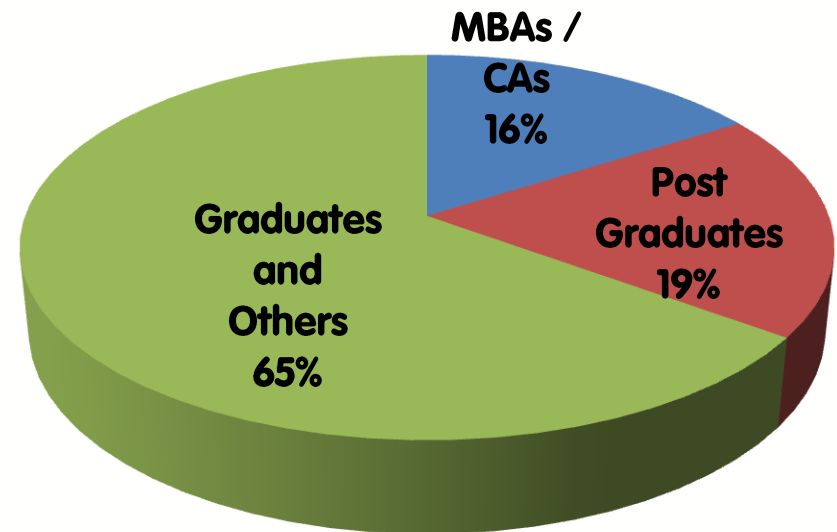
* Financials are based on IRDAI reporting

Profit & Loss statement

(Rs. million)	Q1 FY19	Q1 FY18	Change (y-o-y)
Total Income	821	749	10%
Total expenses	744	731	2%
Profit before tax	77	19	316%

- **Over 18,750 employees**
- **75% in Customer Facing roles**
- **Young workforce**
- **Post Graduates and Professionals form 35% of the total workforce**
- **Over 5,000 women employees**

Qualification profile



Young & vibrant workforce - average age of 34 years

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