

# Reliance Capital Limited

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*Investor Presentation*

*February 10, 2017*



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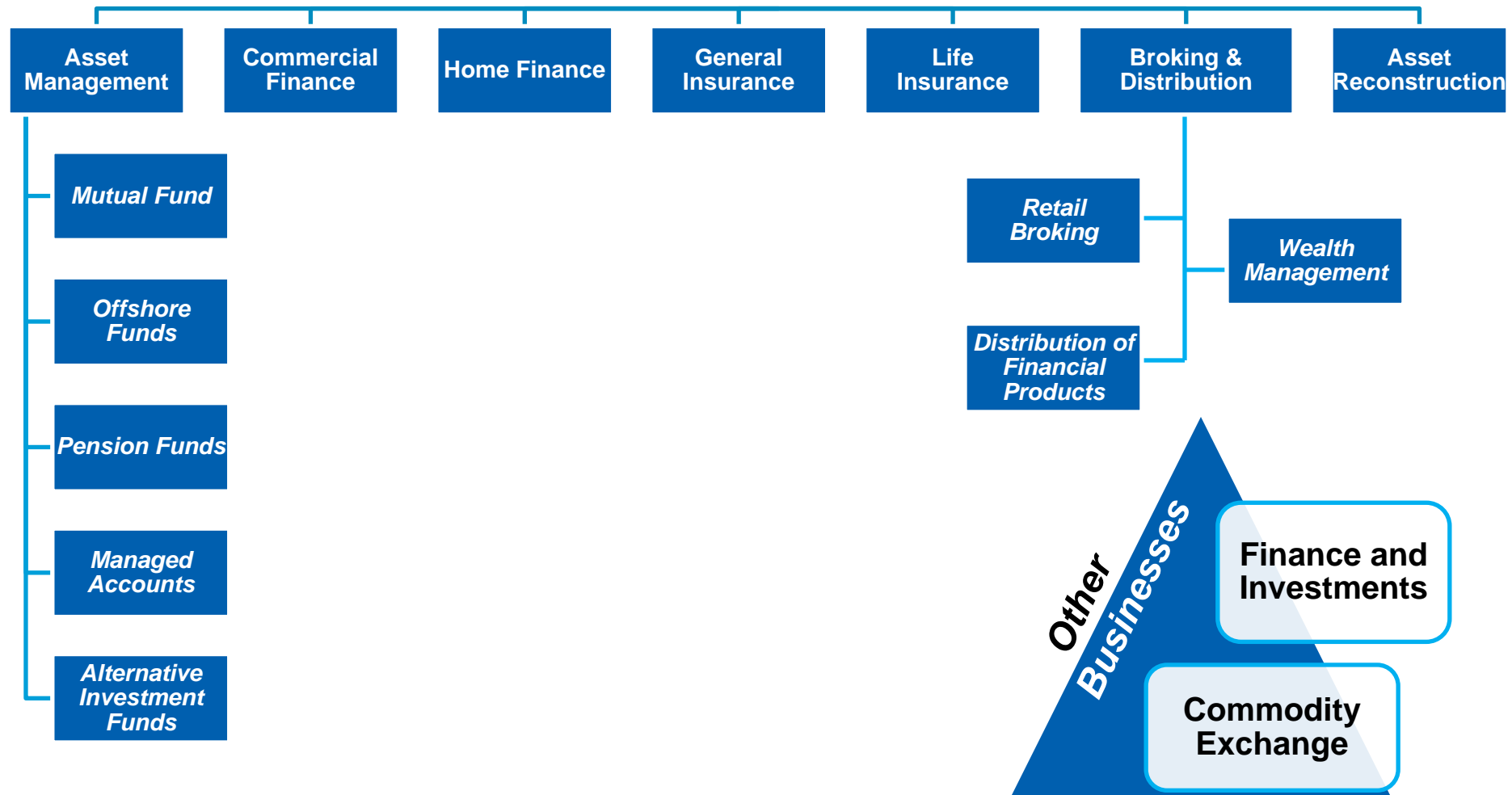
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# *Overview - Strong Fundamentals*



## Amongst India's Largest Non Banking Financial Companies

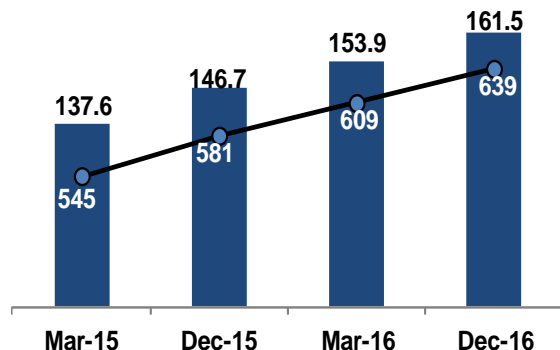
### Core Businesses



## Networth and Book value Per Share

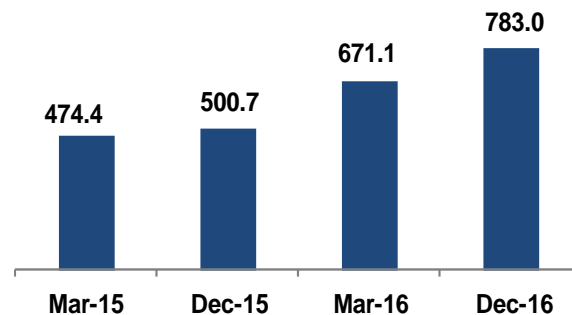
(Rs. Billion)

(Rs.)



## Total Assets

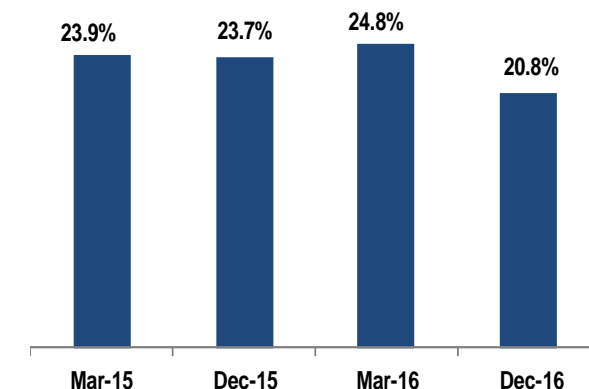
(Rs. Billion)



## Capital Adequacy

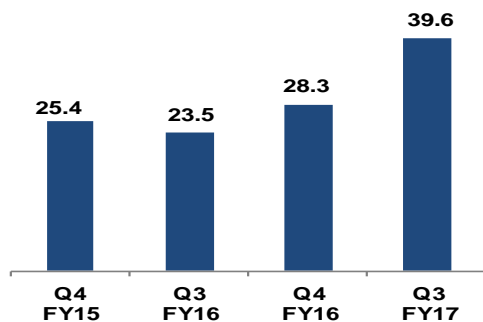
(%)

*\* Based on standalone financials*



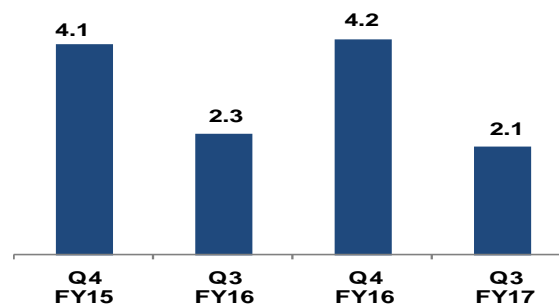
## Total Income

(Rs. Billion)



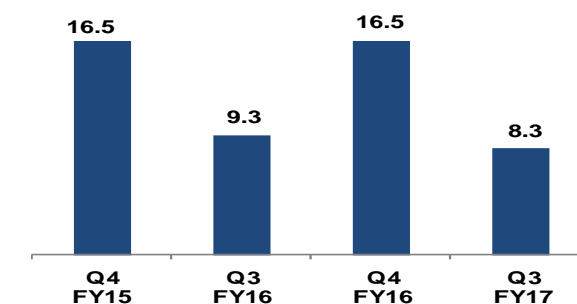
## Profit After Tax

(Rs. Billion)



## Earnings Per Share

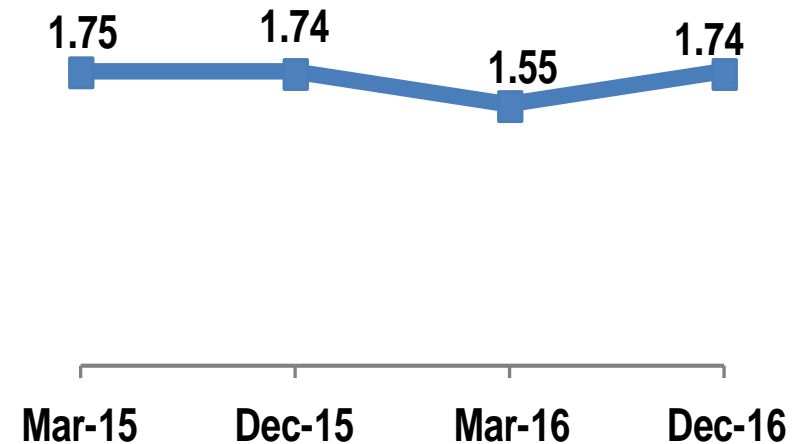
(Rs.)



*\* Q4 FY15 and Q4 FY16 results include one-time capital gains on stake sale in RNLAM*

## Net debt - equity ratio: 1.74

- **ICRA 'A1+'**
  - *Highest credit rating for short term borrowing program*
- **CARE 'AAA'**
  - *Highest credit rating for long term borrowing program*



Highest ratings for our borrowing programmes



***Reliance Nippon Life Asset Management***



## Amongst the Top 3 Mutual Funds in the country

### Sustained market leadership with focus on profitability

- ✓ Market share rose to 11.6%; amongst the most profitable AMCs
- ✓ Amongst the top 3 players in debt as well as equity segments
- ✓ Profit before tax rose to Rs. 1.5 billion (+8%); return on equity at 25%

### Diversified AUM base; continued retail focus

- ✓ CPSE FFO in Jan 2017: one of the largest initial offering in MF industry
  - Raised over Rs. 137 billion (over 3x the issue size) from more than 2.7 lakh investors
- ✓ Only private AMC with all three FM mandates (EPFO, NPS & CMPFO)
- ✓ Highest AUM in B15 category amongst private sector AMCs
- ✓ Approx. 16 lakh (+10%) SIP and STP folios as on Dec 31, 2016

### Building efficient and nationwide footprint

- ✓ 170 customer touch points and over 52,600 empanelled distributors

### Key metrics - Q3 FY17

Average AUM: Rs. 3.4 trillion

Average MF AUM:  
Rs. 2.0 trillion

Total Income: Rs. 3.6 billion

Profit before tax: Rs. 1.5 billion

enrich your investments with vision



Reliance  
Vision Fund

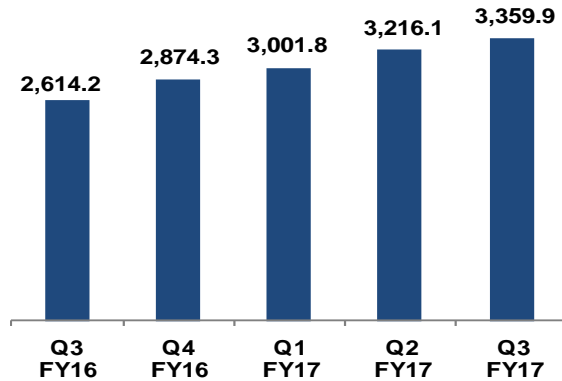
An Open-ended Equity Growth Scheme





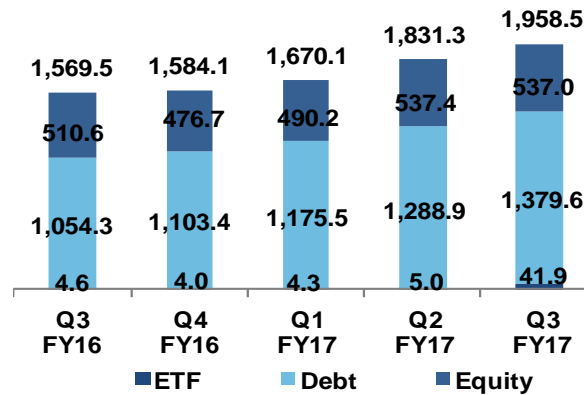
## Average Assets under Management

(Rs. Billion)



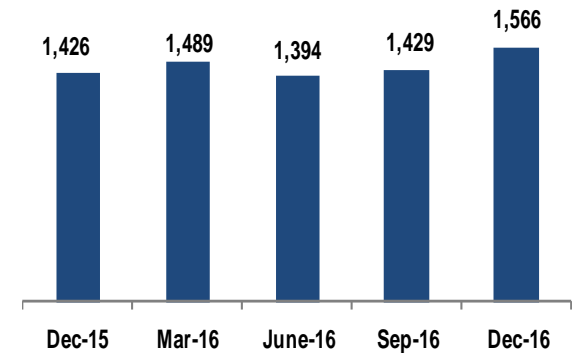
## Average Mutual Fund AUMs\*

(Rs. Billion)



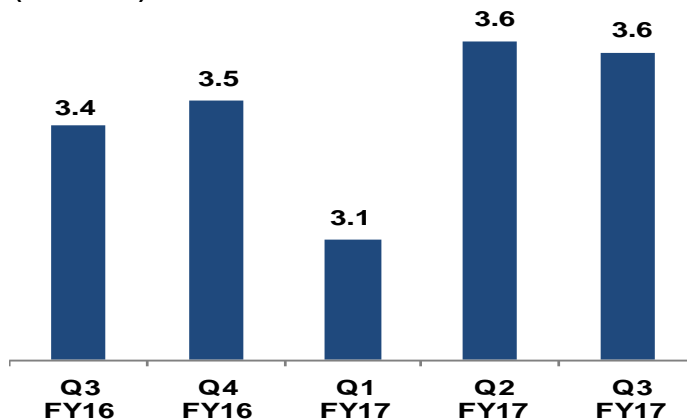
## No. of SIPs and STPs

(In '000s)



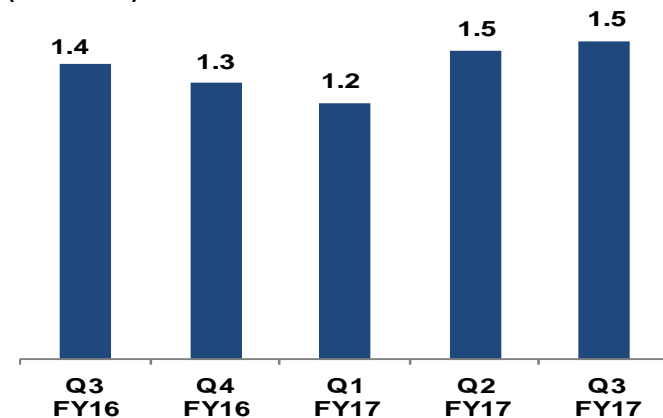
## Total Income

(Rs. Billion)



## Profit Before Tax

(Rs. Billion)



\* average assets under management for the quarter



***Reliance Commercial Finance***



## A leading financier in the SME segment

### Focus on profitable business

- ✓ Profit before tax at Rs. 804 million (+2%); return on equity at 12.2%
- ✓ Disbursements declined by 21% as a result of the conscious decision to limit new sales in Nov 2016 due to demonetisation

### Growing portfolio with superior asset quality

- ✓ AUM increased to Rs. 161.9 billion (+8%) as on Dec 2016
- ✓ 100% secured portfolio (<80% for peers) with focus on productive asset creation
- ✓ SME: attained high penetration and credit expertise in this segment; customized products to suit borrowers' funding requirements in each cluster

### Building efficient and nationwide distribution footprint

- ✓ Present in 44 cities
- ✓ Over 5,000 distribution partners across the country
- ✓ Caters to over 53,500 customers

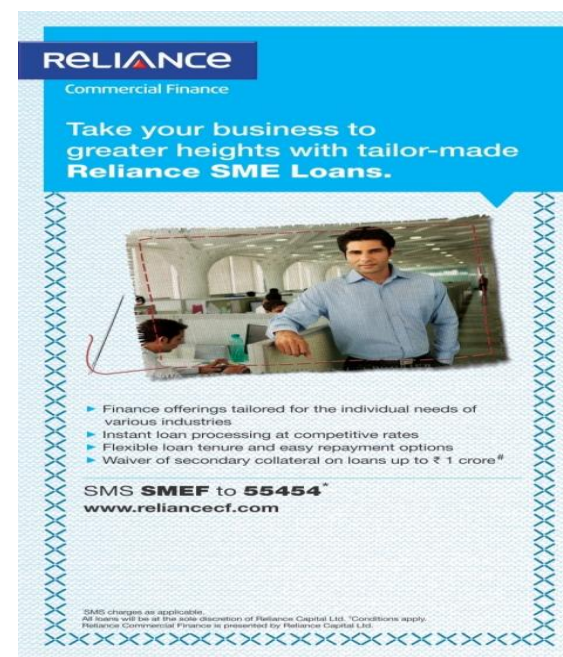
### Key metrics - Q3 FY17

**Total income: Rs. 4.8 billion**

**PBT : Rs. 804 million**

**AUM: Rs. 161.9 billion**

**Gross NPAs: 3.7% (on 90 dpd basis)**



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► Finance offerings tailored for the individual needs of various industries  
 ► Instant loan processing at competitive rates  
 ► Flexible loan tenure and easy repayment options  
 ► Waiver of secondary collateral on loans up to ₹ 1 crore\*

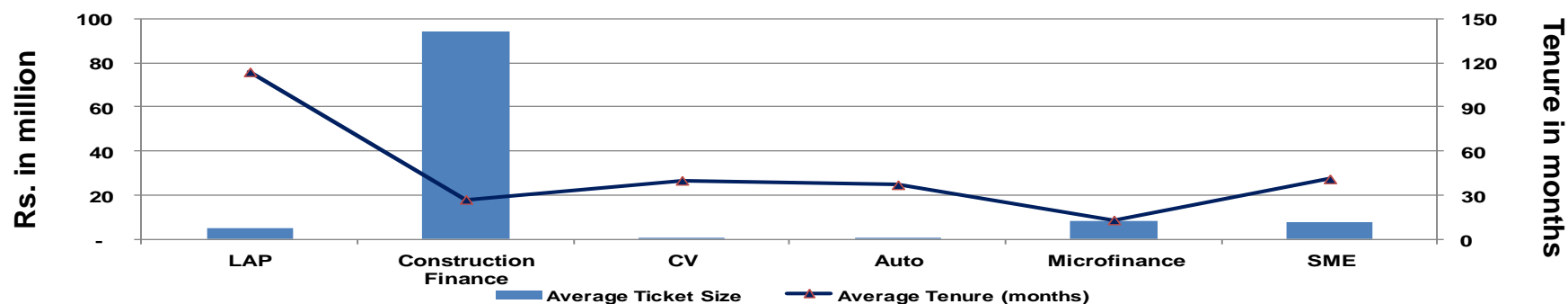
SMS **SMEF to 55454\***  
[www.reliancecf.com](http://www.reliancecf.com)

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(As on Dec 2016)

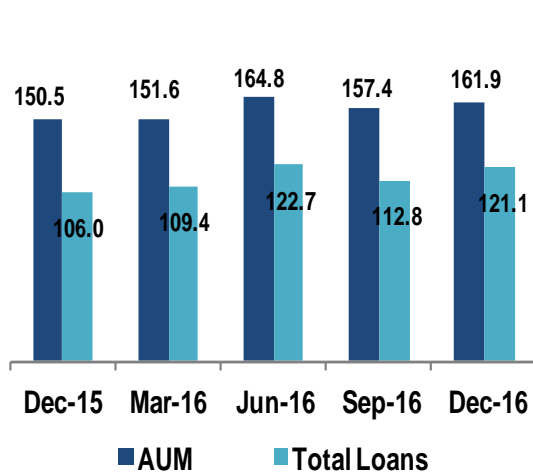
Segment	Focus Area for growth	LTV	Share in total AUM	Avg. Yield
Loan against Property	Self employed / SMEs	48%	18%	12.8%
Construction Finance	Developer Financing	29%	7%	15.5%
Commercial Vehicles	Retail Transport Operators	81%	13%	18.0%
Auto	Commercial usage and Used vehicles	76%	3%	19.9%
Microfinance	Lending to MFIs	-	6%	16.7%
SME	Cluster-based growth approach	78%	42%	13.7%



\* Avg. segment yields are net of NPA reversals

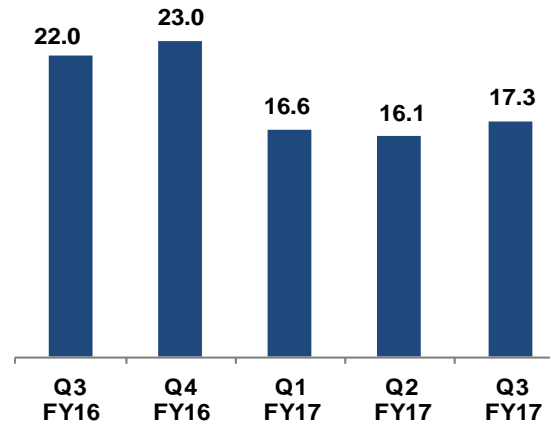
## AUM and Total Loan Portfolio

(Rs. Billion)



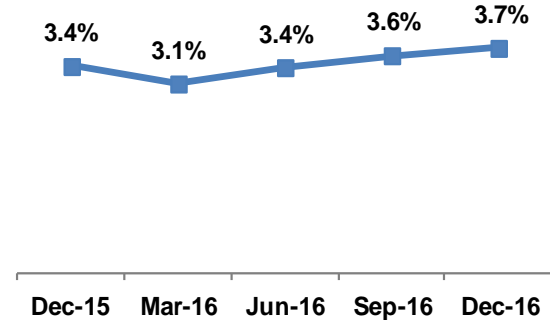
## Disbursements

(Rs. Billion)



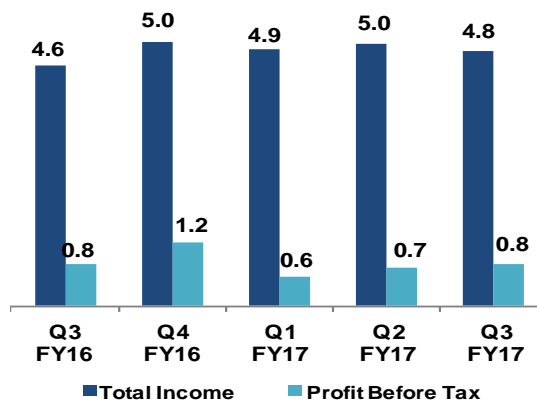
## Gross NPLs

(%)



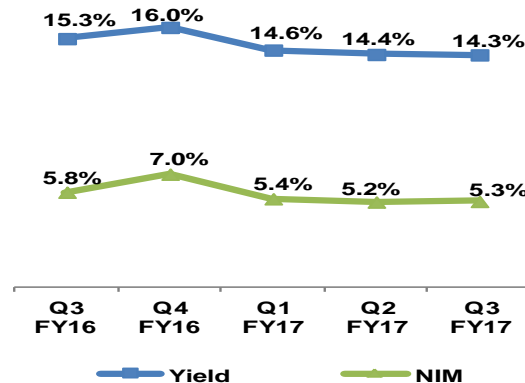
## Total Income and Profit Before Tax

(Rs. Billion)



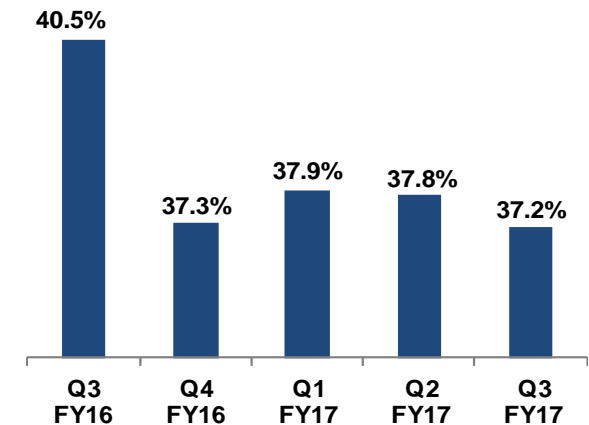
## Yield and Net Interest Margin

(%)



## Cost-to-net income ratio

(%)



\* Yields and Net Interest Margin are net of NPA reversals

# ***Reliance Home Finance***



## Strong emerging player in the Home Finance segment

### Continued robust growth with superior asset quality

- ✓ AUM rose to Rs. 96.6 billion (+40%) as on Dec 2016
- ✓ Disbursements in the quarter were Rs. 12.0 billion (+31%)
- ✓ Gross NPAs at 1.1% as on Dec 2016 (0.9% as on Dec 2015)
- ✓ Present in 43 cities with over 28,200 customers

### Focus on profitable, high-yielding segments

- ✓ Profit before tax was Rs. 345 million (+3%); return on equity was at 12.8%
- ✓ Affordable Housing: new Sales of Rs. 2.0 billion (+5%) in Q3 FY17; average ticket size of <Rs. 1 million
- ✓ LAP: increased sourcing from non-metros and, focus on retail segment resulted in reduced ticket size and granular portfolio
- ✓ Construction Finance: focused on high-quality developers in non-metros with smaller exposures (less than Rs. 100 million); lowest NPAs, amongst peers, in this segment

**Continue strategy of creating a low-risk weight portfolio to achieve higher return on equity**

### Key metrics - Q3 FY17

**Total income: Rs. 2.7 billion**

**PBT : Rs. 345 million**

**AUM: Rs. 96.6 billion**

**Gross NPAs: 1.1% (on 90 dpd basis)**



**BRING HOME  
HAPPINESS WITH  
RELIANCE HOME LOANS**

**9.60%**

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- Balance Transfer of existing home loan @ just 9.49%\*

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**RELIANCE**

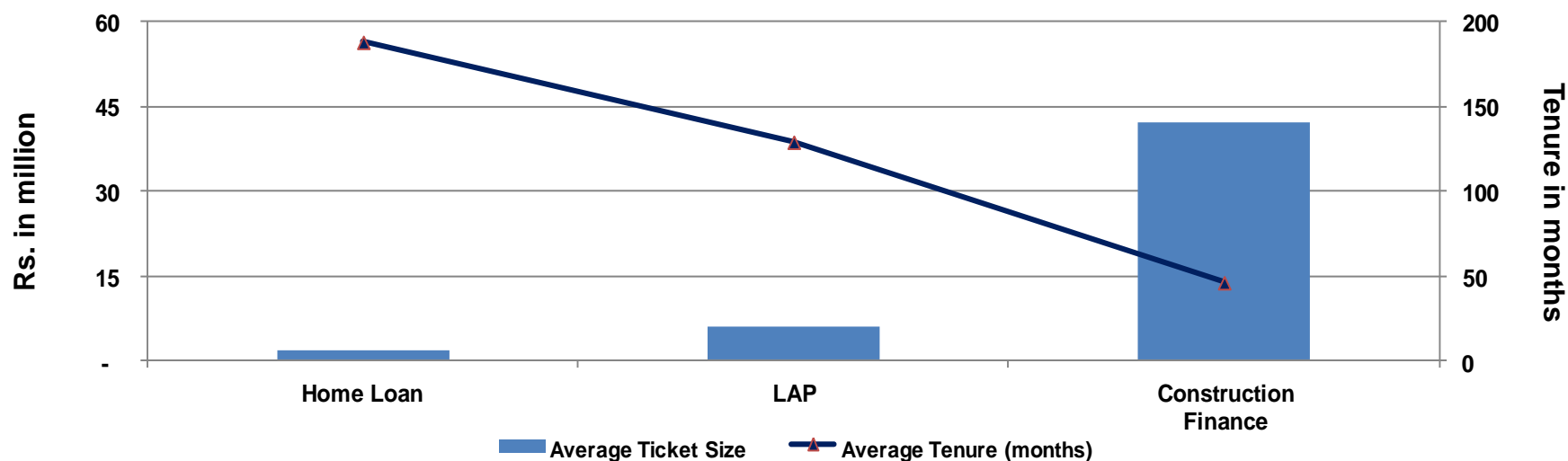
Home Finance

MAKING INDIA SELF-RELIANT

\*SMS changes as applicable. All loans will be at the sole discretion of Reliance Home Finance Limited. \*Conditions apply.

(As on Dec 2016)

Segment	Focus Area for growth	LTV	Share in total AUM	Avg. Yield
Home Loan	Self Employed / Affordable Housing in Tier I & II cities	56%	62%	10.4%
Loan against Property	Self employed / SMEs	43%	13%	14.4%
Construction Finance	Developer Financing	27%	19%	15.7%
SME	Cluster-based growth approach	43%	4%	15.3%

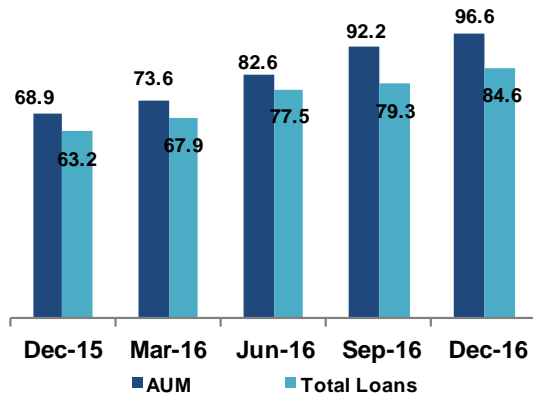


\* Avg. segment yields are net of NPA reversals



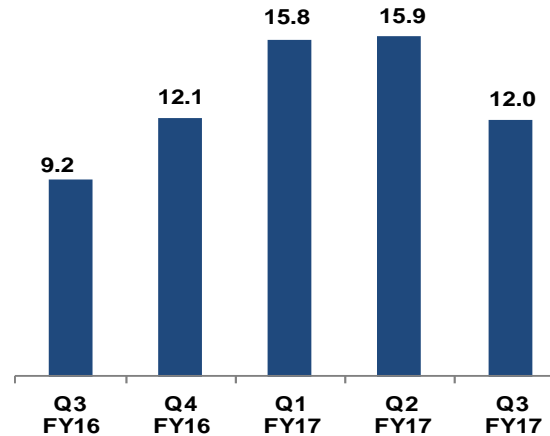
## AUM and Total Loan Portfolio

(Rs. Billion)



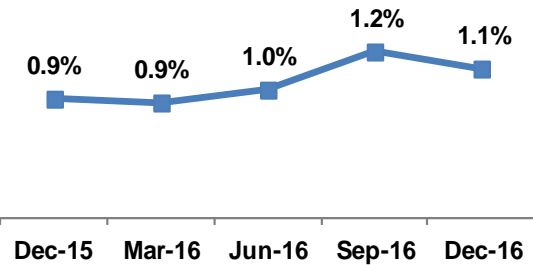
## Disbursements

(Rs. Billion)



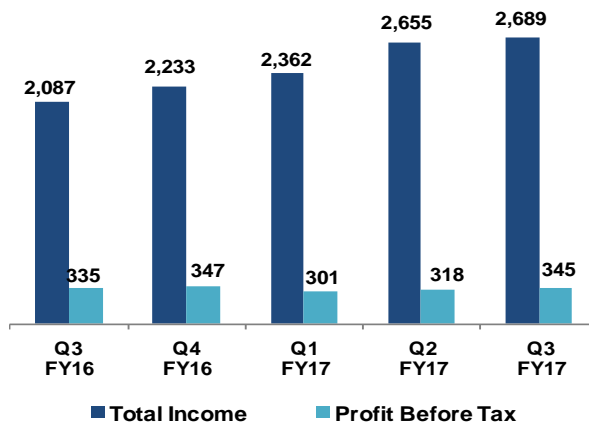
## Gross NPLs

(%)



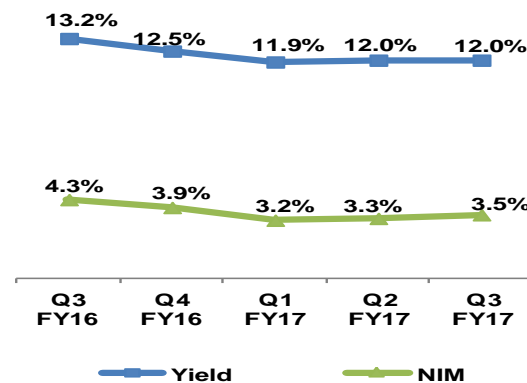
## Total Income and Profit Before Tax

(Rs. Million)



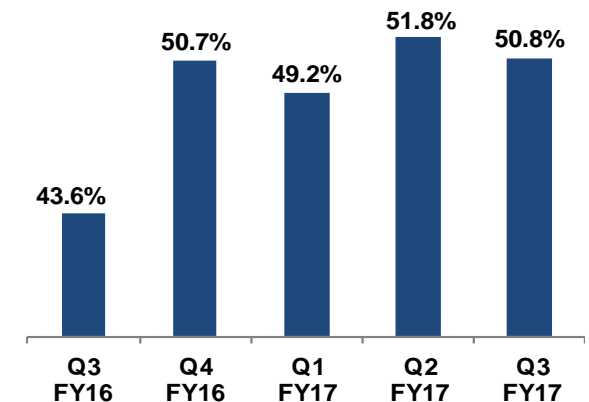
## Yield and Net Interest Margin

(%)



## Cost-to-net income ratio

(%)



\* Yields and Net Interest Margin are net of NPA reversals

A modern living room with a white sofa, large windows, and a blue arrow overlay. The room features a white sofa with red and yellow pillows, a glass coffee table, and a large window with multiple panes. A blue arrow points from the text to the right.

# ***Reliance General Insurance***

## Amongst the Top 5 private Sector General Insurance Companies in India

### Market leadership and high growth in topline

- ✓ 8.3% market share in the private sector with the largest agency force
- ✓ Growth in premium was driven by private car, travel and Commercial lines

### Continued emphasis on robust business model

- ✓ Online channel: Premium rose by 63%; policies sold increased by 65%

### Building efficient and nationwide distribution footprint

- ✓ Wide network of 128 branches; agency force rose to over 23,400
- ✓ Bancassurance: As on Dec 2016, RGI has tied up with over 20 financial institutions, including Bank of India, Andhra Bank, IndusInd Bank & Paytm

### Focus on profitable business

- ✓ For the period ended Dec 31, 2016, share of non-motor business rose from 44% to 55%, helping to improve the claims ratio further
- ✓ Q3 PBT of Rs. 183 million (+20%) after impact of Rs. 429 million on account of strengthening of IBNR reserves

### Key metrics - Q3 FY17

**GWP: Rs. 8.6 billion**

**Investments: Rs. 64.8 billion**

**PBT : Rs. 183 million**

**Combined ratio: 132%**

**RoE: 6%**



**Did you know?**  
Depreciation of your car is proportional to its age

Age	Depreciation
Less than 6 months	5%
6 months to 1 year	15%
1 to 2 year	20%
2 to 3 year	30%

**RELIANCE**  
General Insurance

**Now Get a Complete Claim with your Car Insurance**  
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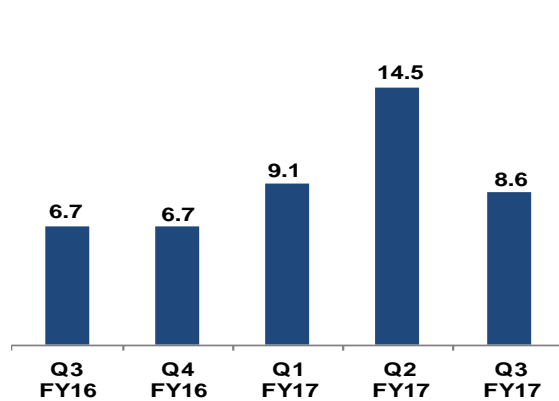
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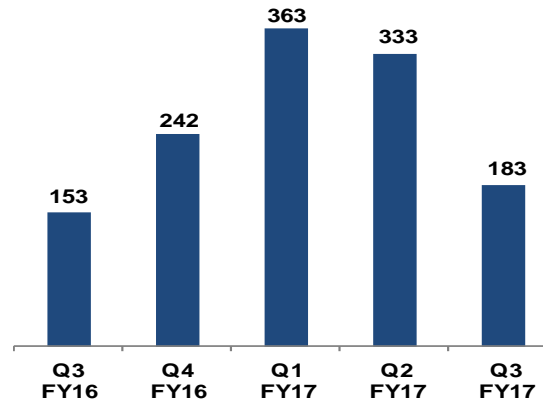
## Gross Written Premium

(Rs. Billion)



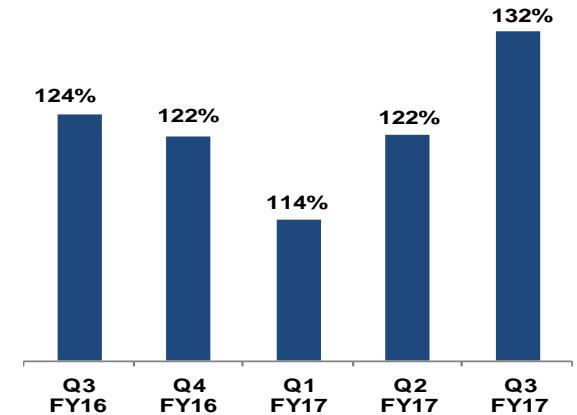
## Profit Before Tax

(Rs. Million)

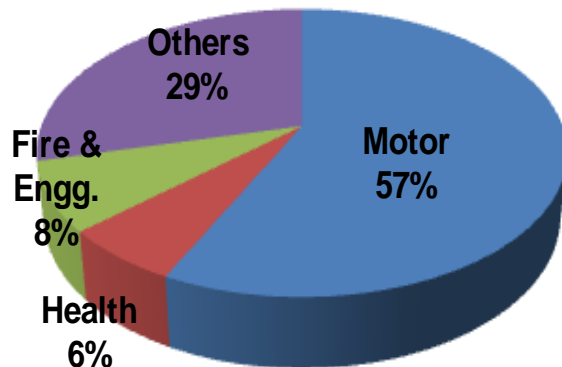


## Combined Ratio

(%)

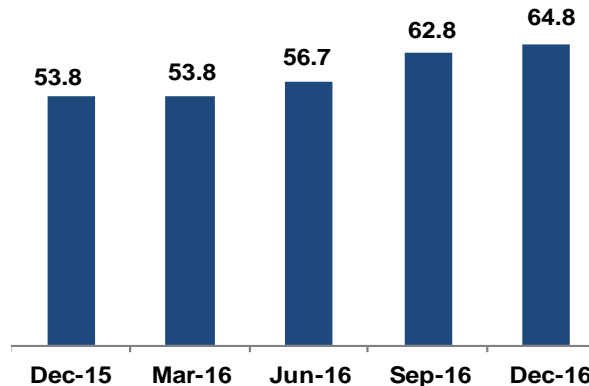


## Business mix



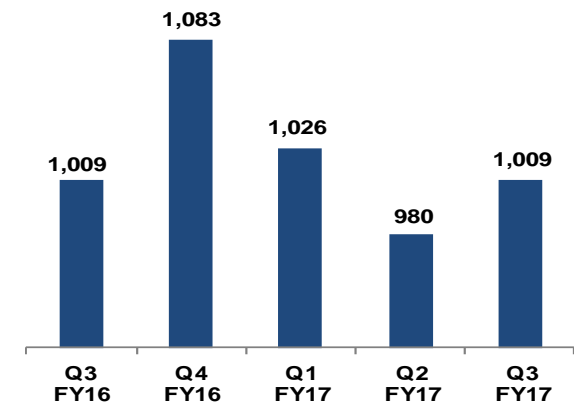
## Investment Book

(Rs. Billion)



## No. of policies issued

(in '000s)





***Reliance Nippon Life Insurance***



## Amongst the Top Private Sector Life Insurers in India

### An agency-driven distribution model

- ✓ Wide network with over 770 offices and approx. 79,800 active advisors
- ✓ Average ticket size increased to over Rs. 27,300 (+6% vis-à-vis Q2 FY17)
- ✓ Share of Proprietary channel grew from 18.0% to 22.2% in Q3 FY17

### Emphasis on stable and higher margin business

- ✓ Traditional business contributed 77% of Individual NBP (Q3 FY16 - 80%)
- ✓ Share of both participating and ULIP segments rose in Q3 FY17

### Improvement in business quality, though topline falls

- ✓ Persistency improved from 57% in Q3 FY16 to 61% in Q3 FY17
- ✓ Renewal premium rose by 10% to Rs. 7.8 billion
- ✓ Business has been able to reduce the pace of decline in Ind. WRP through improvements in agency productivity as initiatives taken in H1 FY17 have begun to pay dividends

### Key metrics - Q3 FY17

**NB Premium: Rs. 2.1 billion**

**Individual WRP: Rs. 1.7 billion**

**Persistency: 61%**

**AUM: Rs. 162.5 billion**

**Policies in force (individual):  
3 million**

**Solvency margin: 313%**

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Experience consistent fund performance\*\*

Invest longer and get additional benefits\*

Save tax and boost your earnings\*

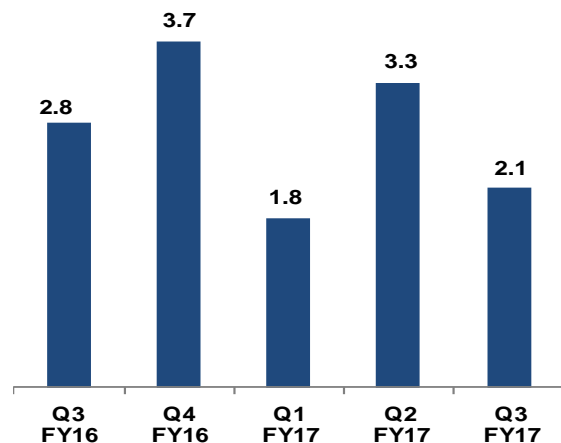
62 free switches between funds

Partial fund withdrawals after 5 policy years



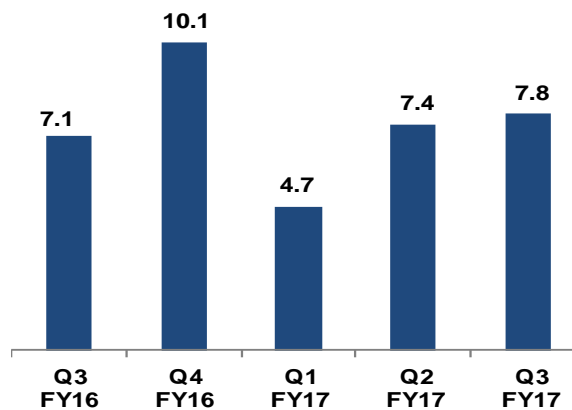
## New Business Premium

(Rs. Billion)



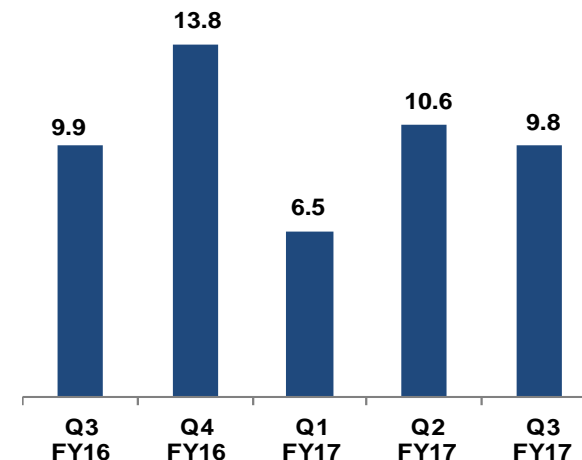
## Renewal Premium

(Rs. Billion)



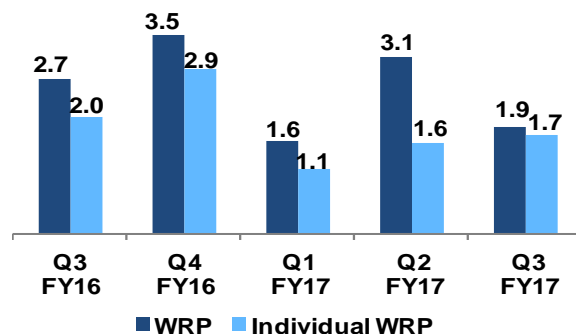
## Total Premium (net of reinsurance)

(Rs. Billion)



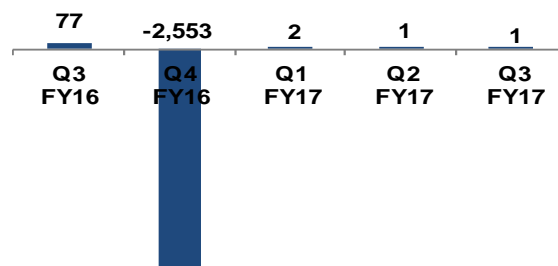
## Weighted Received Premium

(Rs. Billion)



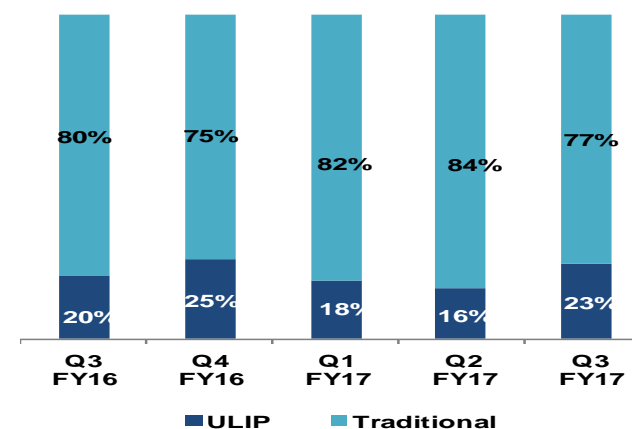
## Profit Before Tax

(Rs. Million)



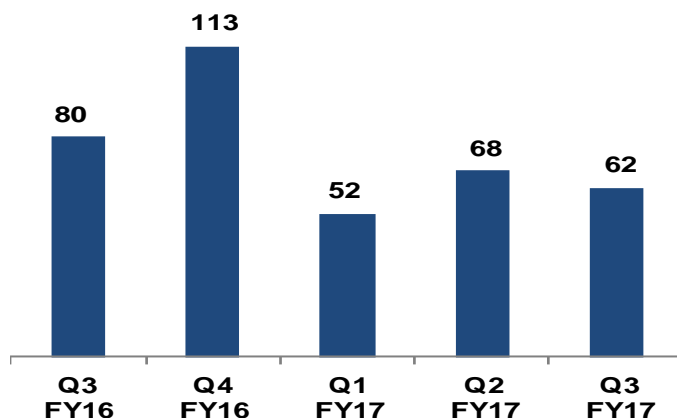
## Business Mix (Individual)

(%)



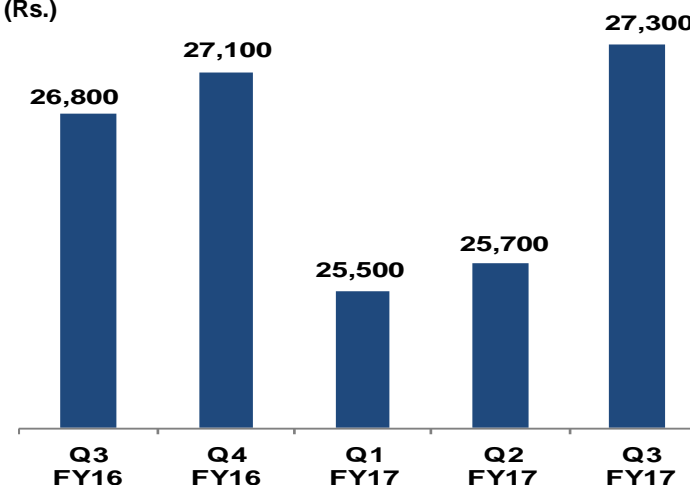
## No. of individual policies sold

(in '000s)



## Average Ticket Size (approx.)

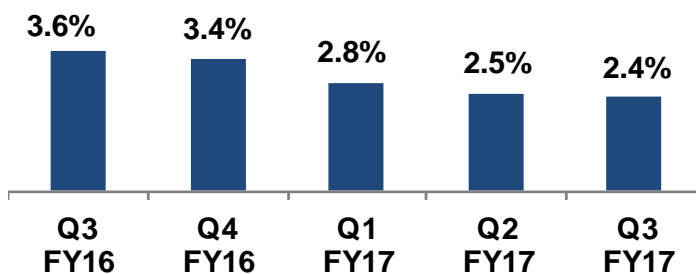
(Rs.)



## Private Sector Market Share

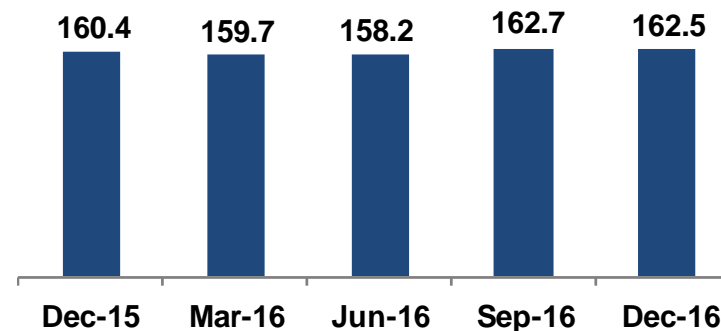
(%)

(in terms of Individual WRP)



## Funds under Management

(Rs. Billion)







***Broking and Distribution businesses***

## Market position and pan India coverage

- ## Wealth Management

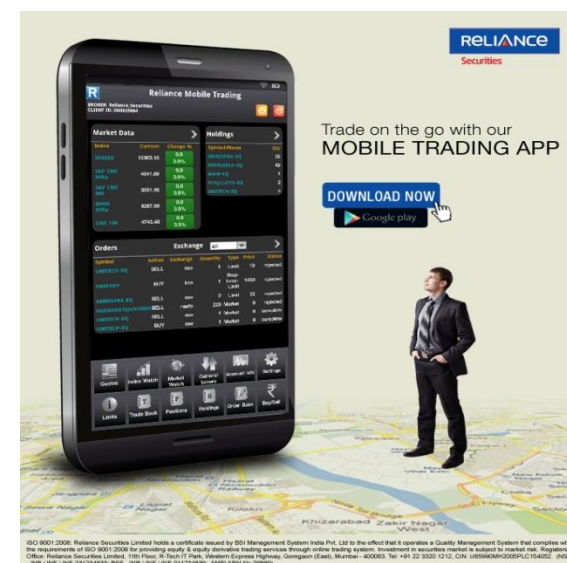
- ## Profitability continues to improve

- ## Key metrics - Q3 FY17

- **Equity:** over 791,600
- **Commodity:** over 71,000

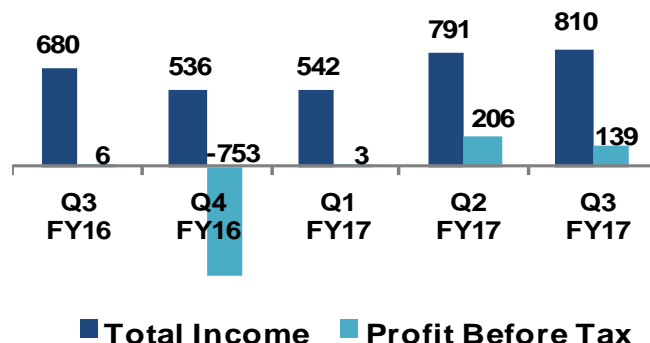
- **Equities: Rs. 26.0 billion**
- **Commodities: Rs. 2.5 billion**

**Wealth Management AUM:**  
**Rs. 35.9 billion**



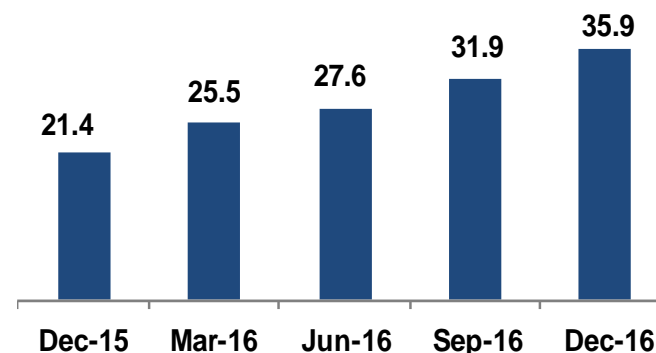
## Total income & Profit Before Tax

(Rs. Million)



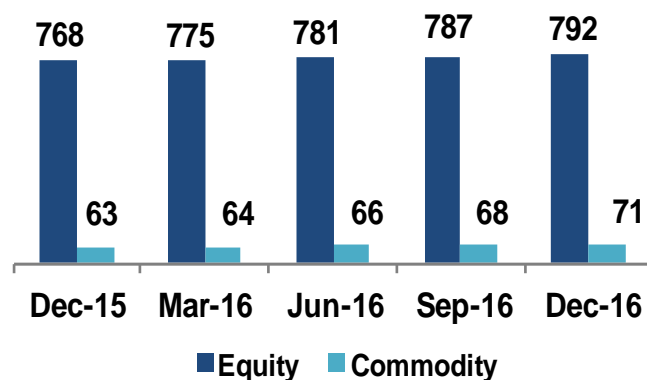
## Wealth Management

(Rs. Billion)



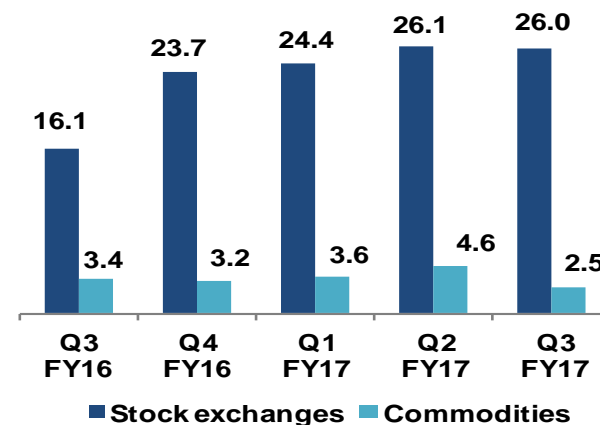
## Equity and Commodity Broking Accounts

(in '000s)



## Average Daily Turnover (Stock exchanges and Commodities)

(Rs. Billion)





***Reliance Asset Reconstruction***



## Amongst the largest ARCs in the non-corporate segment

### Business philosophy

- ✓ Reliance ARC is in the business of acquisition, management and resolution of distressed debt / assets
- ✓ Emphasis on bilateral deals with banks and works with the management of the NPA company for facilitating time-bound solutions

### Financial summary

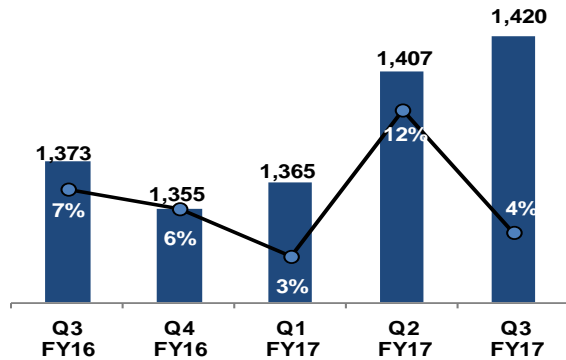
- ✓ AUM increased to Rs. 15.1 billion (+14%); focus continues to be on SME and retail assets
- ✓ Total income increased to Rs. 88 million (+22%) in Q3 FY17
- ✓ Profit before tax declined to Rs. 24 million due to lower acquisitions in the previous quarters; return on equity at 4.4%

### Conservative pricing strategy and an efficient recovery mechanism

- ✓ Focus on distressed assets in the SME and retail segments
- ✓ Total resolutions for the quarter increased by 69% at Rs. 591 million in Q3 FY17

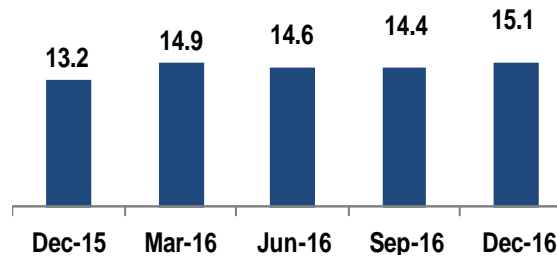
## Networth \* and RoE

(Rs. Million) (%)



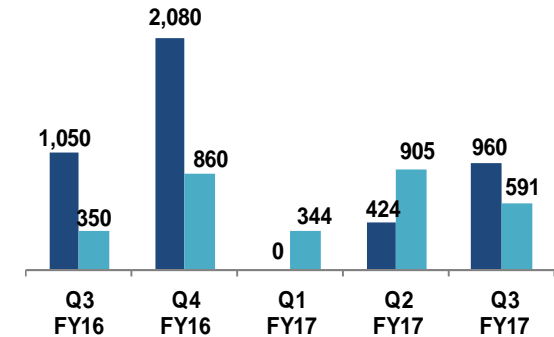
## Assets under Management

(Rs. Billion)



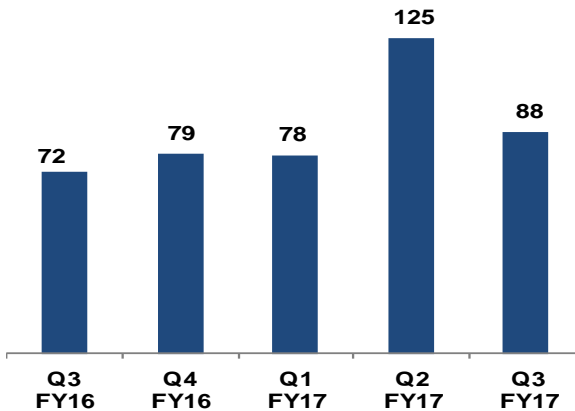
## Acquisitions and Resolutions

(Rs. Million)



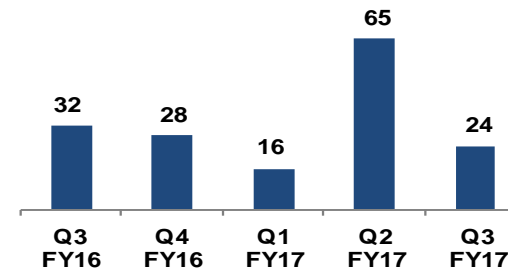
## Total Income

(Rs. Million)



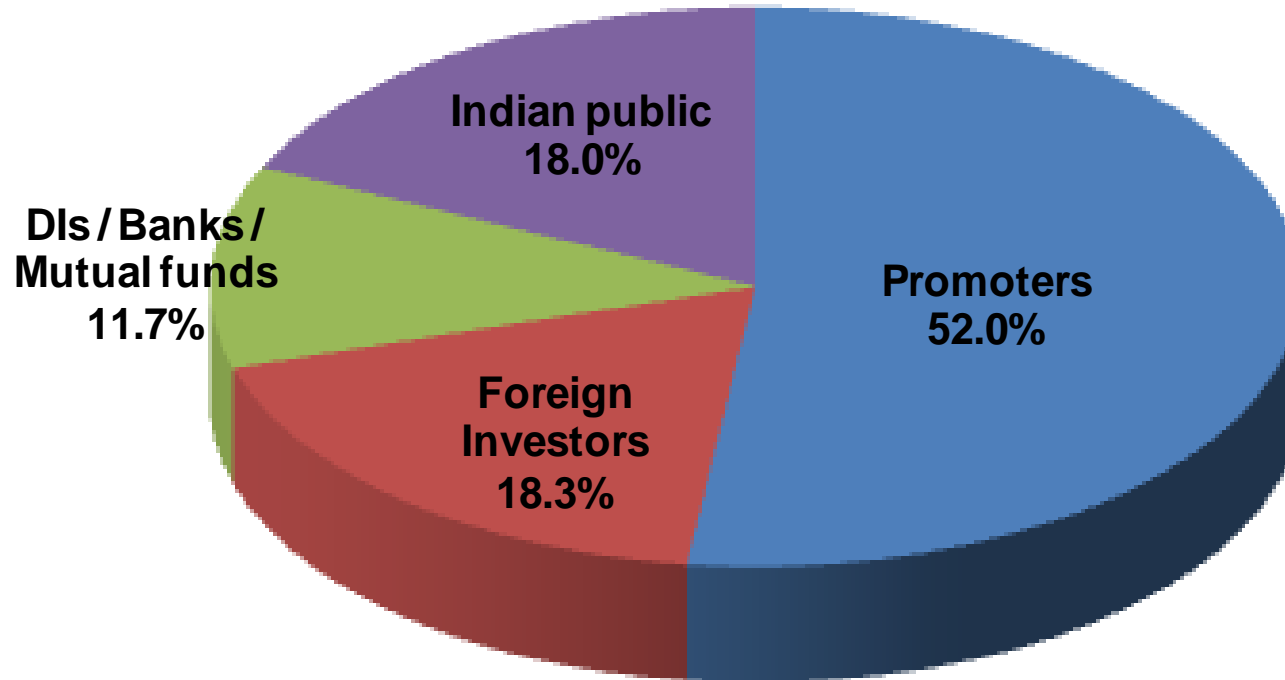
## Profit Before Tax

(Rs. Million)



\* Networth as at the end of the quarter

(As on Dec 31, 2016)



- 1 million shareholders
- Part of CNX Nifty Junior and MSCI Global Small Cap Index
- Traded in futures & options segment

Thank you





***Annexure***

*Profit & Loss statement*

(Rs. Million)	Q3 FY17	Q3 FY16	Change (y-o-y)	Q2 FY17	Change (q-o-q)	FY 2016
Interest Income	14,131	10,990	29%	13,689	3%	42,410
Capital Gains / Dividend	2,013	903	123%	4,103	(51)%	9,285
Premium Earned	18,328	6,642	176%	25,228	(27)%	28,621
Mgmt. & Advisory Fee	3,364	3,114	8%	3,489	(4)%	12,267
Brokerage & Comm.	575	531	8%	1,340	(57)%	2,842
Other Income	1,227	1,353	(9)%	1,410	(13)%	4,554
<b>Total Income</b>	<b>39,637</b>	<b>23,534</b>	<b>68%</b>	<b>49,260</b>	<b>(20)%</b>	<b>99,979</b>
Interest & Fin. Charges	7,806	7,082	10%	7,485	4%	28,206
Other Expenses	28,406	12,763	123%	37,796	(25)%	54,448
<b>Total Expenses</b>	<b>36,213</b>	<b>19,845</b>	<b>82%</b>	<b>45,281</b>	<b>(20)%</b>	<b>82,654</b>
Profit before tax	3,424	3,689	(7)%	3,978	(14)%	17,325
<b>Net profit after tax</b>	<b>2,095</b>	<b>2,345</b>	<b>(11)%</b>	<b>2,532</b>	<b>(17)%</b>	<b>11,006</b>

## *Profit & Loss statement*

(Rs. Million)	Q3 FY17	Q3 FY16	Change (y-o-y)	Q2 FY17	Change (q-o-q)	FY 2016
Income	3,582	3,398	5%	3,609	(1)%	13,138
Expenses	2,063	1,990	4%	2,135	(3)%	8,114
Profit before tax	1,518	1,408	8%	1,474	3%	5,024

(Rs. Billion)	Dec 31, 2016	Mar 31, 2016	Dec 31, 2015	Mar 31, 2015
Debt	1,357.2	1,089.7	1,041.3	905.7
Equity	537.0	476.7	510.6	450.3
Gold	22.4	13.7	13.0	15.3
ETFs	41.9	4.0	4.6	-
Pension Funds	1,361.0	1,222.9	980.7	993.9
Offshore Funds	14.2	43.3	41.1	60.4
PMS and AIF	26.2	24.1	22.9	20.9
Total AAUM	3,359.9	2,874.3	2,614.2	2,446.5

## *Profit & Loss statement*

(Rs. Million)	Q3 FY17	Q3 FY16	Change (y-o-y)	Q2 FY17	Change (q-o-q)	FY 2016
Disbursements	17,257	21,971	(21)%	16,109	7%	81,379
Net Interest Income	1,487	1,646	(10)%	1,549	(4)%	6,553
Total Income	4,820	4,561	6%	4,961	(3)%	18,391
Interest expenses	2,651	2,588	2%	2,809	(6)%	10,305
Other expenses	808	798	1%	814	(1)%	3,287
Provisions	558	389	43%	599	(7)%	1,677
Profit before tax	804	785	2%	739	9%	3,122

## *Profit & Loss statement*

(Rs. Million)	Q3 FY17	Q3 FY16	Change (y-o-y)	Q2 FY17	Change (q-o-q)	FY 2016
Disbursements	12,029	9,217	31%	15,935	(25)%	39,217
Net Interest Income	629	590	7%	583	8%	2,289
Total Income	2,689	2,087	29%	2,665	1%	8,147
Interest expenses	1,798	1,388	30%	1,812	(1)%	5,358
Other expenses	453	305	48%	437	4%	1,264
Provisions	93	59	59%	88	6%	165
Profit before tax	345	335	3%	318	9%	1,361

## *Profit & Loss statement*

(Rs. Million)	Q3 FY17	Q3 FY16	Change (y-o-y)	Q2 FY17	Change (q-o-q)	FY 2016
Gross Written Premium	8,554	6,679	28%	14,516	(41)%	28,680
Profit / (loss) before tax	183	153	20%	333	(45)%	991
Investment book	64,830	53,801	20%	62,840	3%	53,814
Combined ratio	132%	124%	-	122%	-	121%
No. of policies issued	1.0	1.0	-	1.0	3%	3.9

## *Profit & Loss statement*

(Rs. Million)	Q3 FY17	Q3 FY16	Change (y-o-y)	Q2 FY17	Change (q-o-q)	FY 2016
First year premium	1,853	2,690	(31)%	3,067	(40)%	14,467
Single premium	294	158	85%	220	33%	1,116
Total New business premium	2,146	2,849	(25)%	3,287	(35)%	15,583
Renewal Premium	7,757	7,058	10%	7,416	5%	28,398
Total premium (net of reinsurance)	9,808	9,862	(1)%	10,636	(8)%	43,706
Profit before tax	1	77	(99)%	1	(23)%	(1,973)
Total funds under management	162,466	160,381	1%	162,706	-	159,696

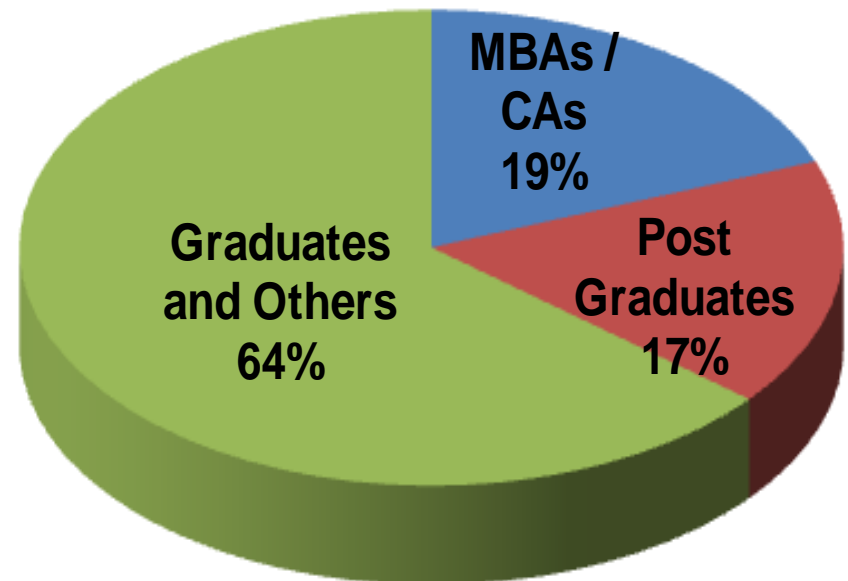
## *Profit & Loss statement*

(Rs. Million)	Q3 FY17	Q3 FY16	Change (y-o-y)	Q2 FY17	Change (q-o-q)	FY 2016
Total Income	810	680	19%	791	2%	2,529
Total expenses	671	674	-	585	15%	3,441
Profit before tax	139	6	-	206	(33)%	(912)



- **Approx. 16,000 employees**
- **76% in Customer Facing roles**
- **Young workforce**
- **Post Graduates and Professionals form 36% of the total workforce**
- **Approx. 2,000 women employees**

### Qualification profile



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