

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

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Results for the quarter ended December 31, 2017

Investor Presentation

February 8, 2018

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

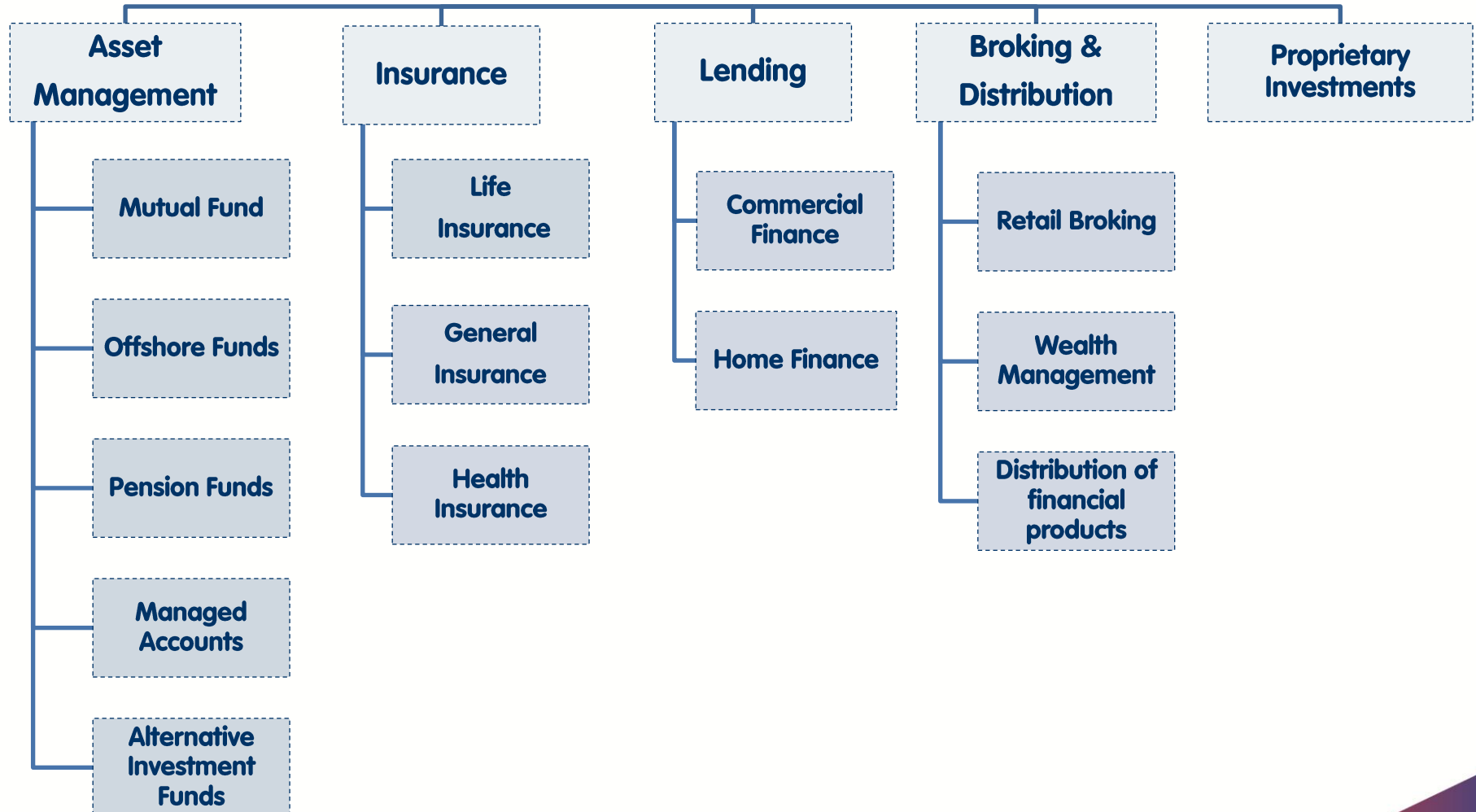
Robust financial platform with top-end ratings and a conservative net debt-equity ratio of 2.48

Total networth of Rs. 162.3 billion and asset size of Rs. 921.1 billion

Over **20 million** customers, 15,200 employees, and **Rs. 4.5 trillion in AUM**

Amongst India's Largest Non Banking Financial Companies

Core Businesses



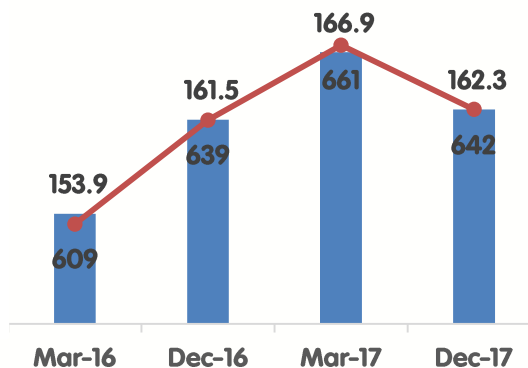
Key Performance Highlights

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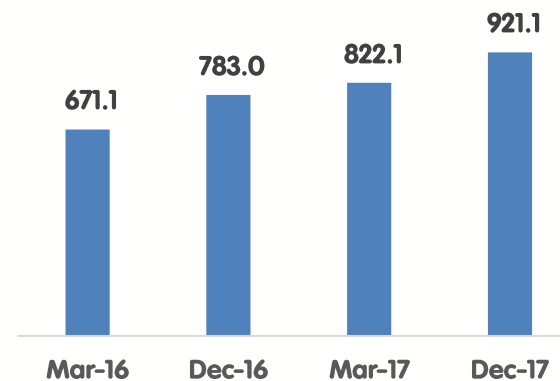
Networth and Book value Per Share

(Rs. billion)



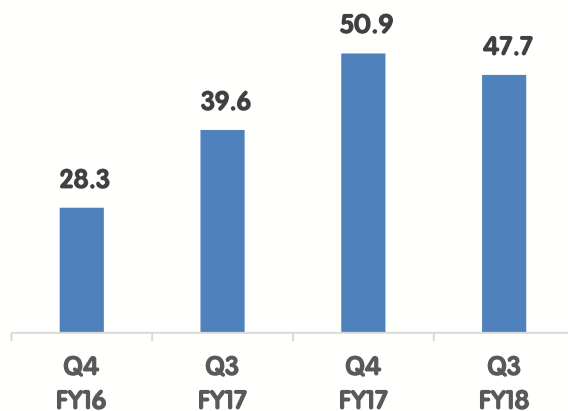
Total Assets

(Rs. billion)



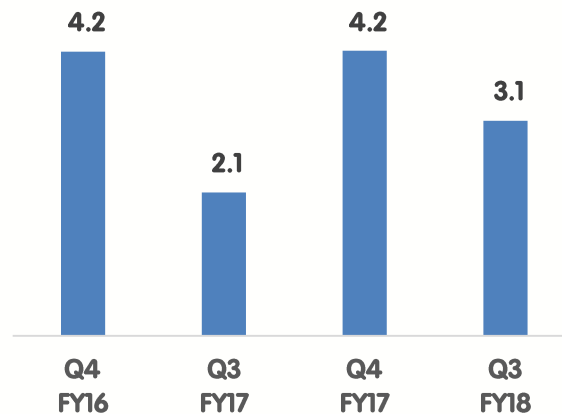
Total Income

(Rs. billion)



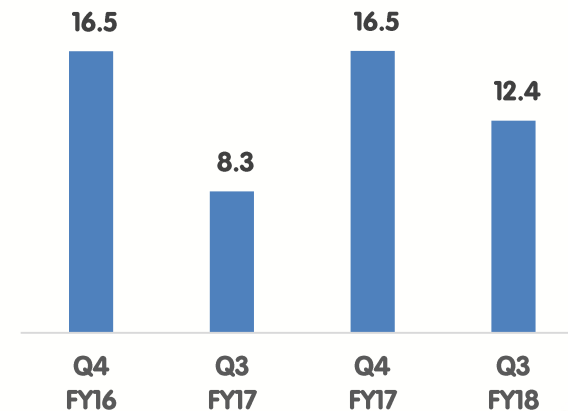
Profit After Tax

(Rs. billion)



Earnings Per Share

(Rs.)



* Networth declined as result of stake sale in Reliance Nippon Life Asset Management

Reliance Nippon Life Asset Management



- **India's largest asset manager** with AUM of Rs. 3.9 trillion (+17%)
- **One of the most Profitable AMCs** in the Industry (Q3 PBT: Rs. 1.9 billion; +23%)
 - **Return on equity stood at 24%**

Strong Retail Franchise

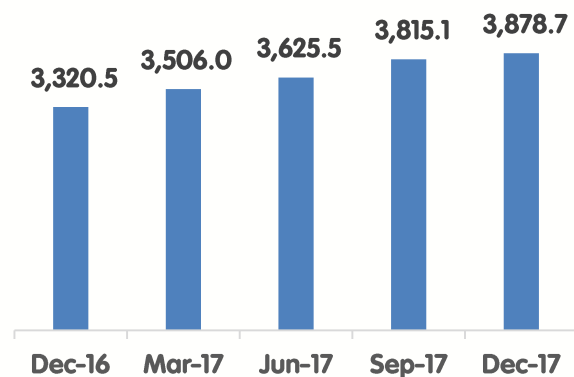
- **Strong recurring flows:** Long-term **SIP** book has helped in building a stable asset base
 - SIP & STP count amongst the highest in the Industry - **2.4 million**
 - **Annualised inflows of approx. Rs. 78 billion**
- **More than 7.6 million (+18%) investor folios** - Amongst the highest in the industry
- **MAAUM from smaller locations (B-15 segment)** rose to **over Rs. 508 billion (+34%)**
- Presence across 261 locations (added 89 locations) and 61,500 empanelled distributors

Diversified AUM base

- **Equity Assets** (as a share of total AAUM) **rose** from 27% **to 34% in Q3 FY18**
- **Only private AMC with all three Pension mandates** (EPFO, NPS, CMPFO)
- **Leading player in the ETF market (19.3% market share)**
 - Manages 16 ETFs across all asset classes with AAUM of over Rs. 132 billion
- **Reliance AIF raised AUM of over Rs. 17.5 billion** across various AIF schemes
 - Raised approx. Rs. 4.2 billion in Equity Opportunities AIF Scheme I
- **Managing and advising assets of approx. Rs. 84 billion in Offshore AUMs**
 - Strong inflows from Spain and Thailand in Q3

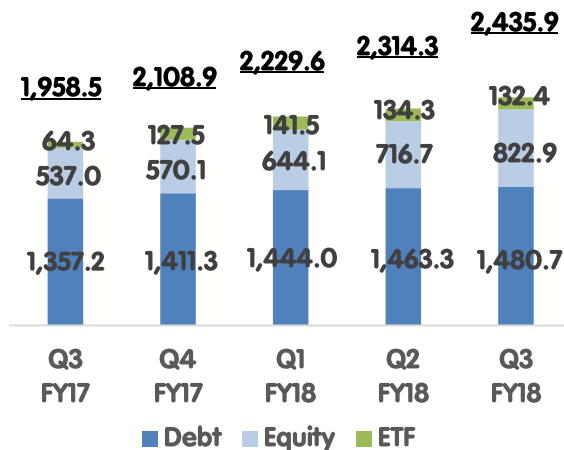
Assets under Management

(Rs. billion)



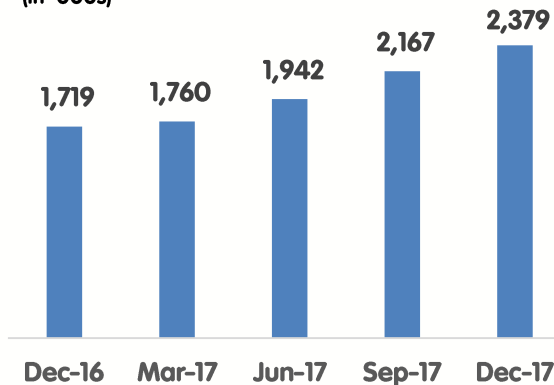
Mutual Fund AAUMs*

(Rs. billion)



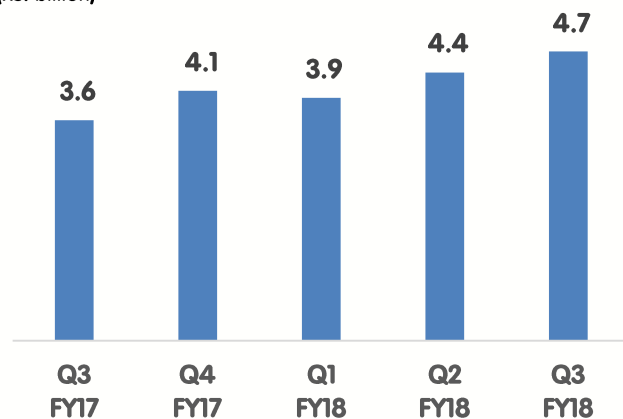
No. of SIPs and STPs

(In '000s)



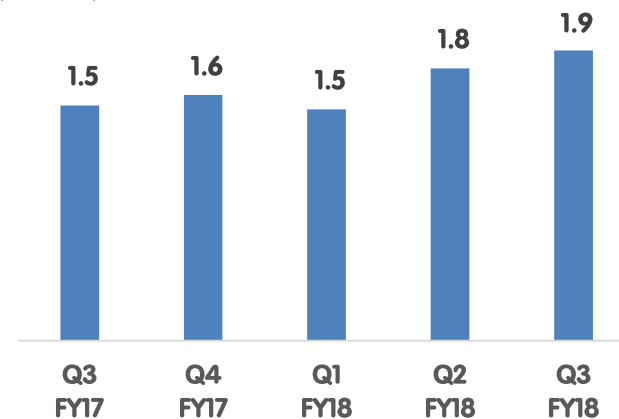
Total Income

(Rs. billion)



Profit Before Tax

(Rs. billion)



* average assets under management for the quarter

Reliance Commercial Finance



Amongst the leading SME lenders in the Indian NBFC space

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

- **AUM increased to Rs. 170.3 billion** (+5%) as on Dec 2017
- **Gross NPA improved to 3.6% (at 90 dpd basis) as on Dec 2017** vis-à-vis 4.1% as on Sept 2017
- **Profit before tax stood at Rs. 865 million;** excluding exceptional impact on account of merger,

Profit before tax was at Rs. 983 million

Strong customer base; entry into Retail Finance segments

- Present in nearly 39 cities and caters to over 41,000 customers
- **Retail lending foray: initiated lending in the two-wheeler, personal loans and used car segments** (Q3 disbursements at Rs. 550 million)

Segment Detail - Reliance Commercial Finance

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(As on Dec 2017)

Segment	Focus Area for growth	LTV	Average Yield (%)	Share in Total AUM
SME	Cluster-based lending approach	86%	15.0%	58%
Loan against Property	Self employed / SMEs	55%	14.5%	10%
Vehicle Loans	Two-wheeler and Used Car	73%	19.2%	8%
Infra Lending	Bridge lending to renewable energy projects	-	13.4%	9%
Construction Finance	Developer Financing	41%	14.5%	7%
Microfinance	Lending to / through MFIs	-	20.9%	8%

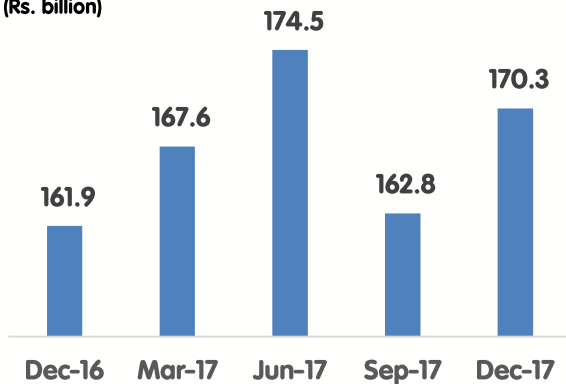
Financial Performance - Reliance Commercial Finance

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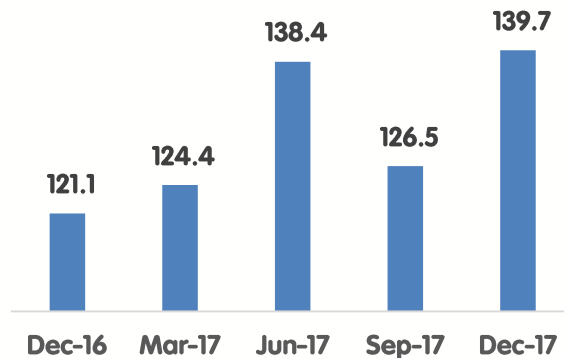
Assets under Management

(Rs. billion)



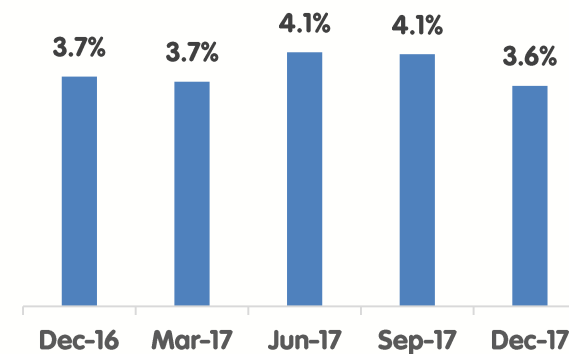
Total Loan Portfolio

(Rs. billion)



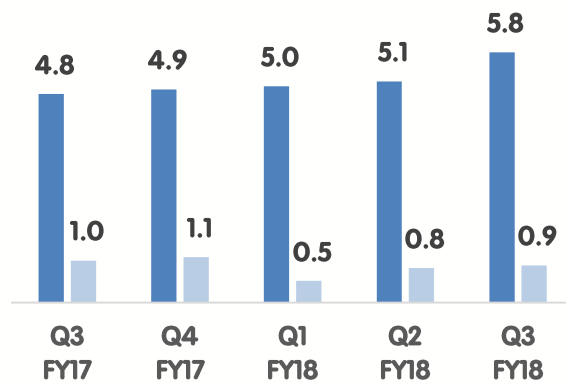
Gross NPLs

(%)



Total Income and Profit Before Tax

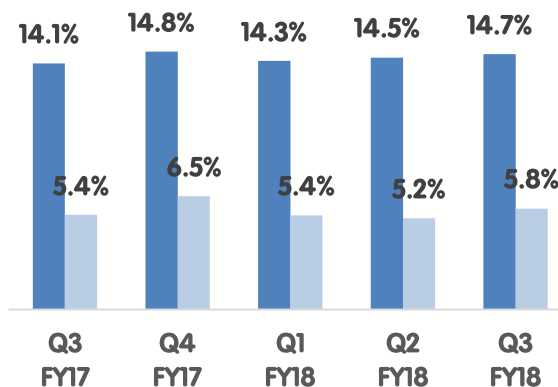
(Rs. billion)



■ Total Income ■ Profit Before Tax

Yield and Net Interest Margin

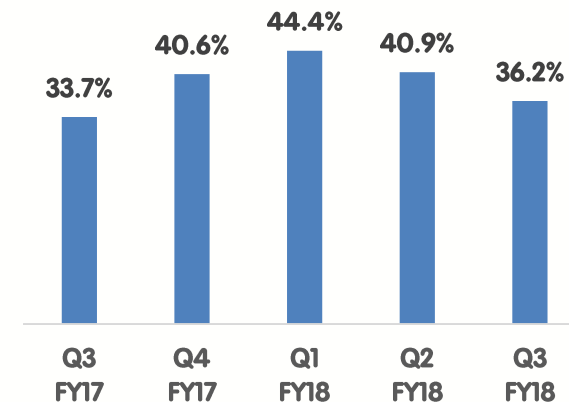
(%)



■ Yield ■ NIM

Cost-to-income Ratio

(%)



Reliance Home Finance



Continued robust growth with superior asset quality

- **AUM increased** to **Rs. 148.6 billion (+54%)** as on Dec 2017
- Q3 FY18 **disbursements increased** by **35%** to Rs. 16.3 billion
- **Affordable Housing**: new sales of Rs. 4 billion; avg. ticket size of Rs. 1.3 million
- **Profit before tax** at **Rs. 701 million (+103%)**
- **Gross NPAs improved** from **1.1%** to **0.8%**; **NIMs improved** to **3.8%**
- **Capital Adequacy ratio** was at **21.5%**; Tier I ratio at 13.5%

Wide distribution network with focus on self-employed clientele

- Present in over **100 locations** through a 'hub and spoke' model with **over 41,000 client accounts**
- Launched **6 new branches** pan India during the quarter including 2 affordable housing branches

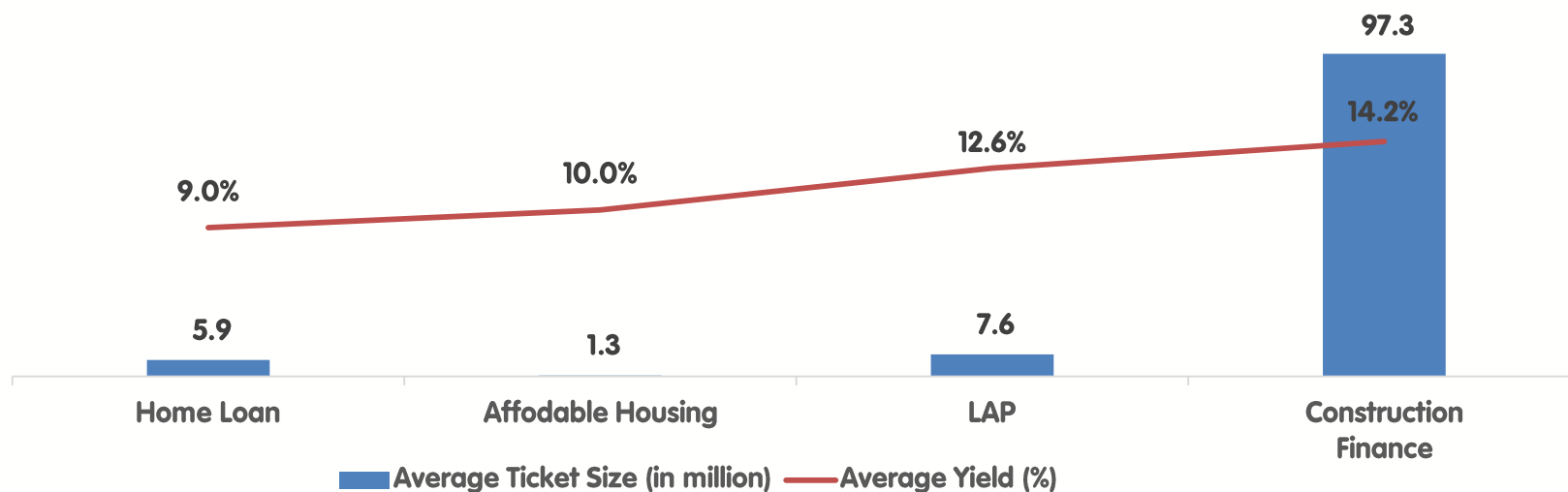
Segment Detail - Reliance Home Finance

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(As on Dec 2017)

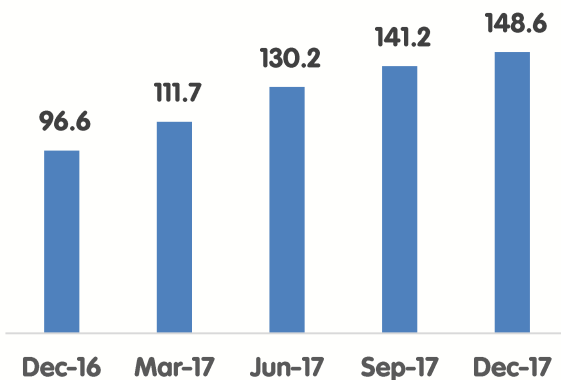
Segment	Focus Area for growth	LTV	Share in Total AUM
Home Loan	Self Employed & Salaried	50%	31%
Affordable Housing	Affordable Housing in Tier I & II cities	61%	20%
Loan against Property	Self employed / SMEs	42%	21%
Construction Finance	Developer Financing	39%	28%



Financial Performance - Reliance Home Finance

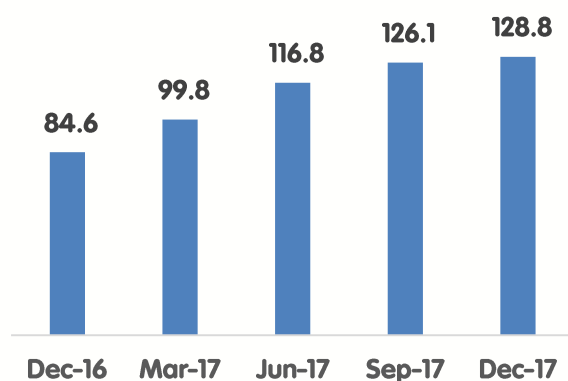
Assets Under Management

(Rs. billion)



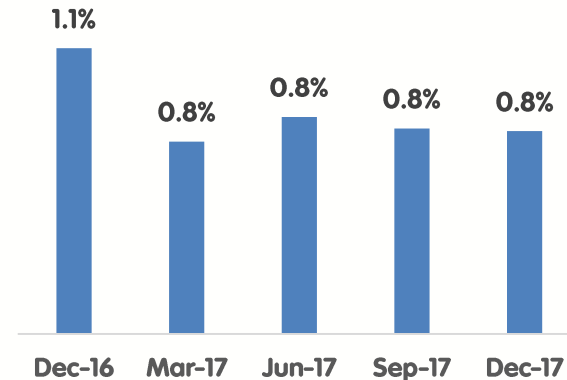
Total Loans

(Rs. billion)



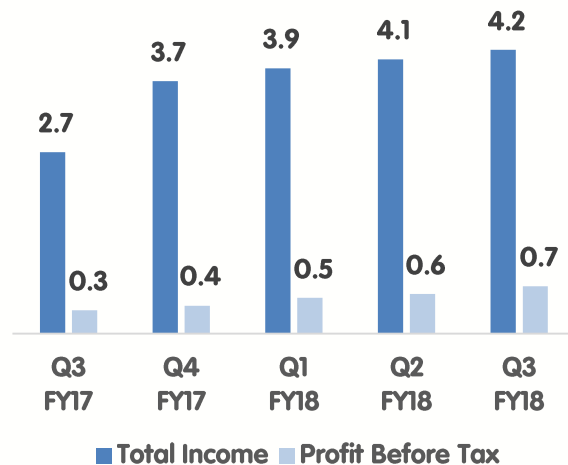
Gross NPLs

(%)



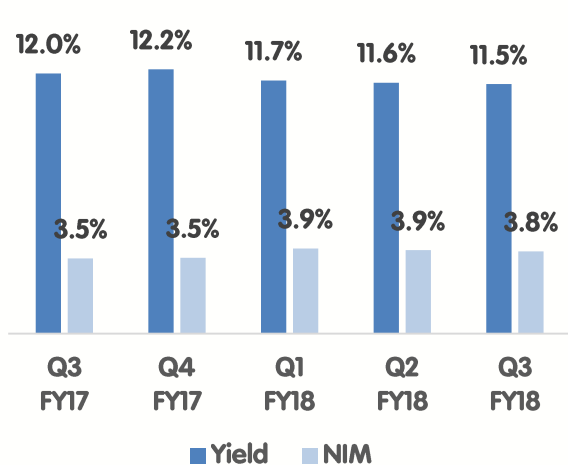
Total Income and Profit Before Tax

(Rs. billion)



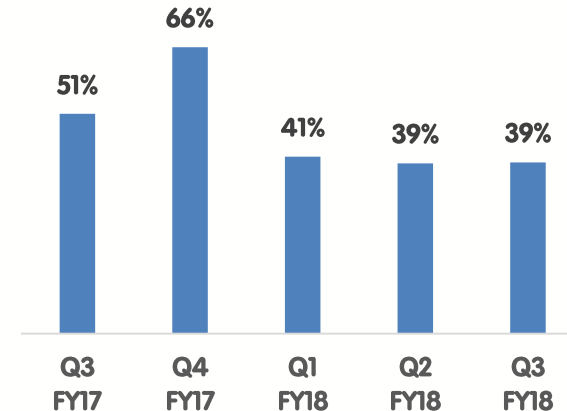
Yield and Net Interest Margin

(%)



Cost-to-income ratio

(%)



Reliance General Insurance

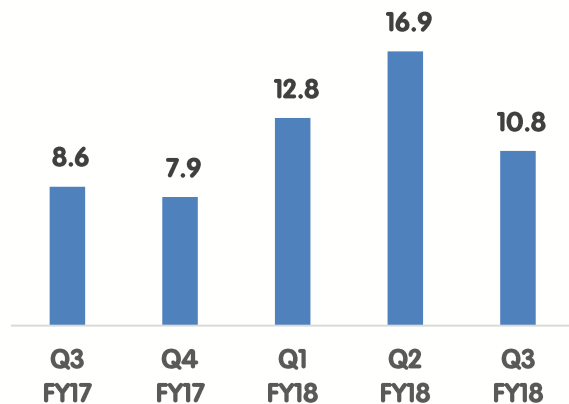


- **8.5% market share in the private sector; largest agency force of over 27,100**
- **Gross written premium rose by 26% to Rs. 10.8 billion**, as against industry growth of 18%
 - **Strong growth** in segments such as **private cars, health, travel and commercial lines**
- **Online channel: policies sold increased by 36%; premium rose by 39%**
- **Q3 FY18 PBT at Rs. 283 million (+54%)**, driven by higher premium and improved combined ratio
- **New Corporate Agency tie-up with Yes Bank and One 97 Communication Ltd. (Paytm Bank)**
- **Combined ratio improved** from 132% in Q3 FY17 to **119% in the quarter**
- **9m-FY18 return on equity rose to 12%** vis-à-vis 10% in 9m-FY17

Financial Performance - Reliance General Insurance

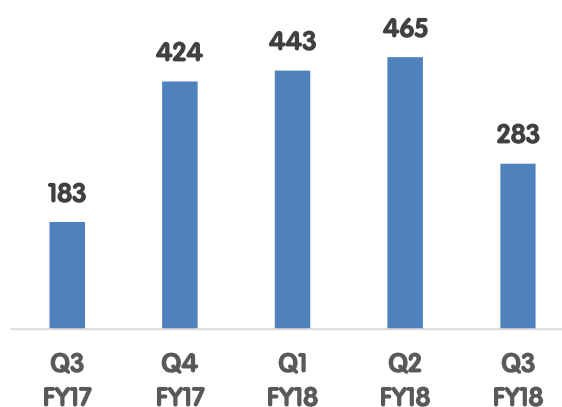
Gross Written Premium

(Rs. billion)



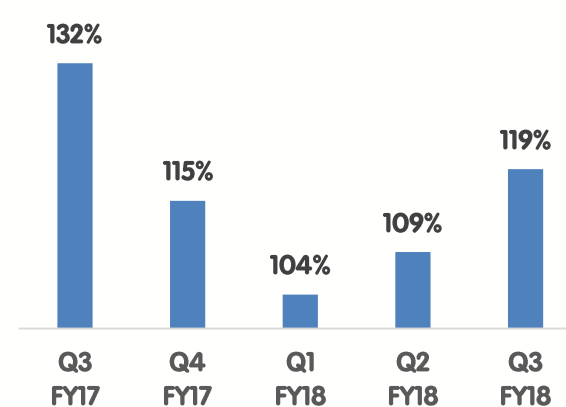
Profit Before Tax

(Rs. million)

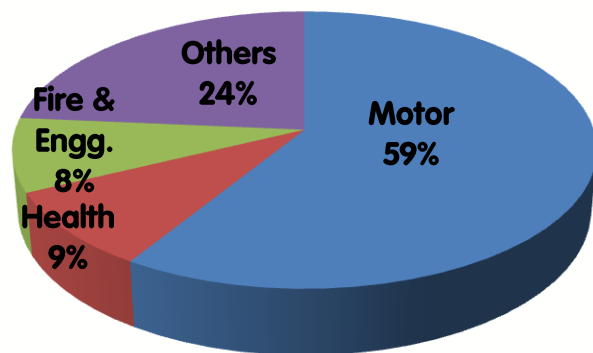


Combined Ratio

(%)

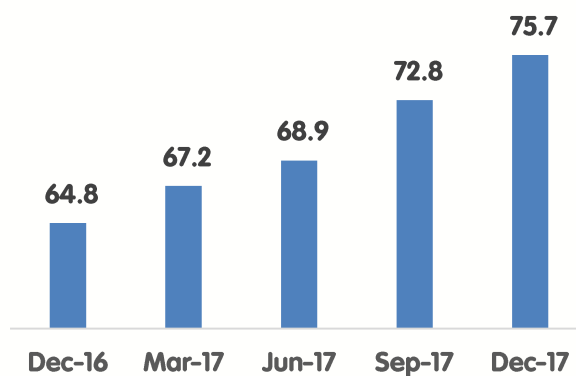


Business mix



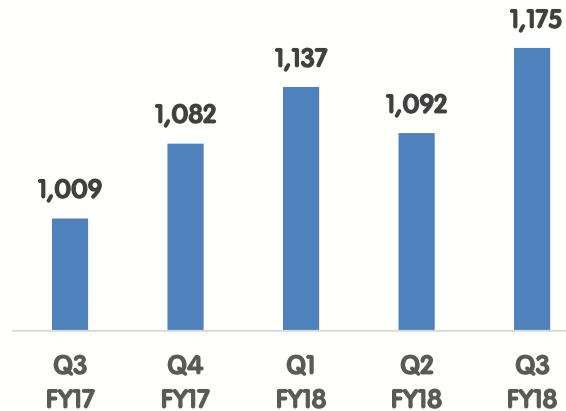
Investment Book

(Rs. billion)



No. of Policies Issued

(in '000s)



Reliance Nippon Life Insurance



Focus on profitable and healthy business

- **Successfully initiated distribution tie-up with Bank of Maharashtra; access to over 1,900 branches**
- **Largest network of approx. 750 offices and over 62,000 active advisors**
- **Individual WRP stood at Rs. 1.6 billion; Renewal Premium at Rs. 7.9 billion (+2%)**
- **Strong increase in persistency from 62% to 69% in Q3 FY18** with a focus on customer centricity
- **Average ticket size improved by 25% to over Rs. 34,100;** traditional products formed 77% of the Individual New Business premium

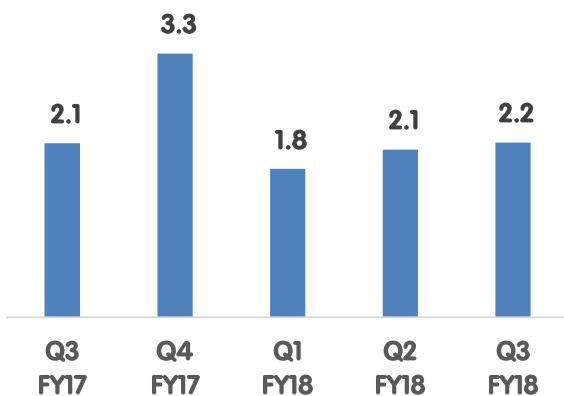
Key financial metrics

- **Opex + commission ratio was stable at 29%** in Q3 FY18
- **Assets under Management at Rs. 188.3 billion (+16%)**
- **Higher solvency margin at 275%** vis-à-vis regulatory requirement of 150%

Financial Performance - Reliance Nippon Life Insurance

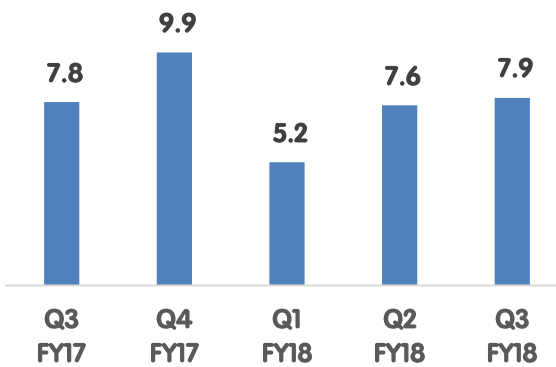
New Business Premium

(Rs. billion)



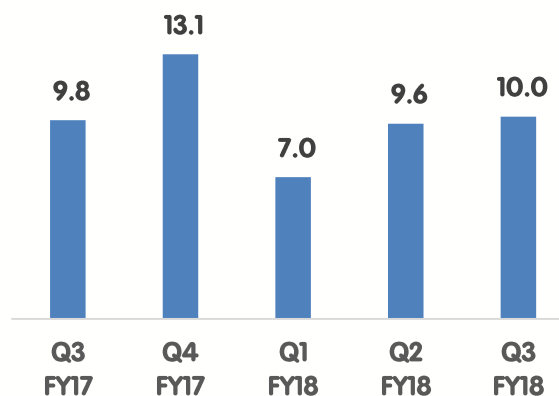
Renewal Premium

(Rs. billion)



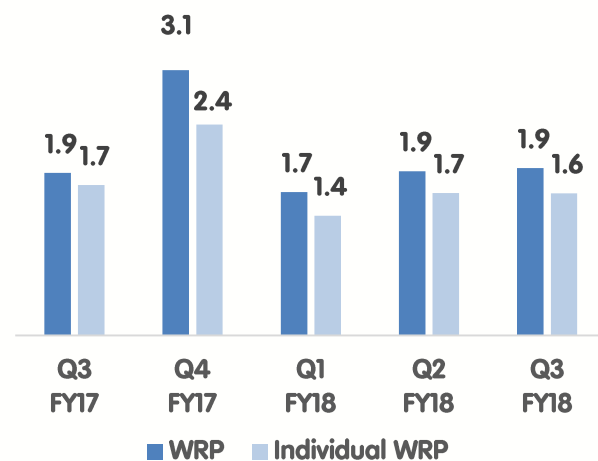
Total Premium (net of reinsurance)

(Rs. billion)



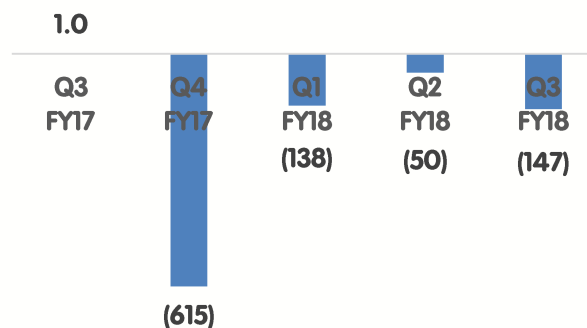
Weighted Received Premium

(Rs. billion)



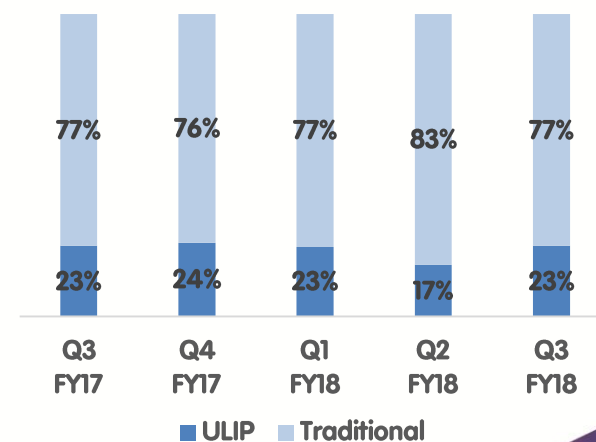
Profit Before Tax

(Rs. million)



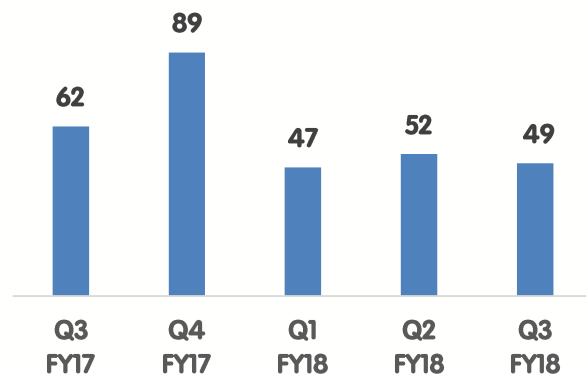
Business Mix (Ind. New Business)

(%)



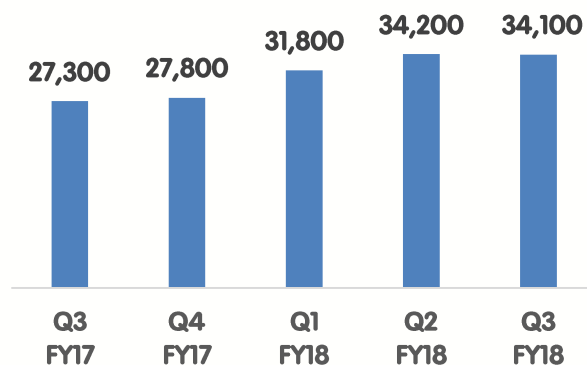
No. of Individual Policies sold

(in '000s)



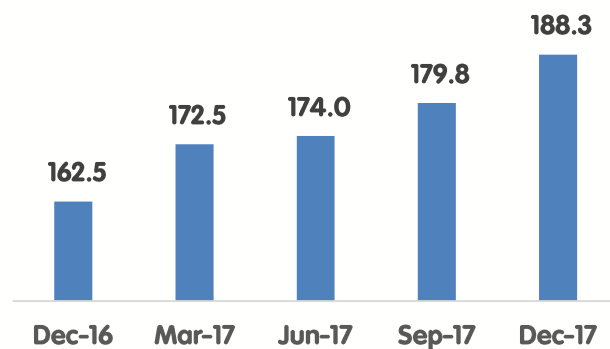
Average Ticket size (approx.)*

(Rs.)



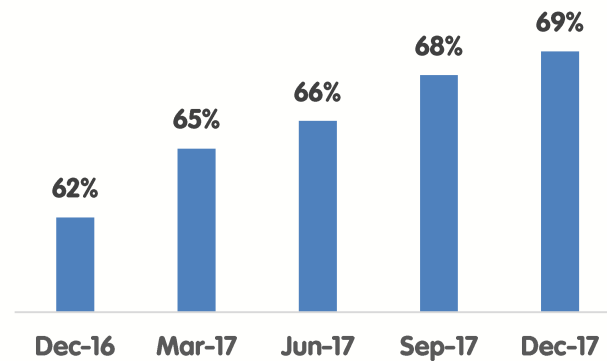
Funds under Management

(Rs. billion)



Persistency

(%)



* Based on New Business Premium

Broking and Distribution Businesses



Transformation in the last two years

Key business matrix

- **Revenue stood at Rs. 830 million** for the quarter ended December 2017
- **Profit before tax stood at Rs. 136 million; return on equity at 19%**
- **Average daily stock exchange turnover rose by 64% to Rs. 45.2 billion**
- **Mobile market share at 11% in Q3 FY18; approx. 22% contribution** to revenue from this segment
- **Wealth Management: AUM at Rs. 54.3 billion (+51%)** as on December 2017

Digital Transformation

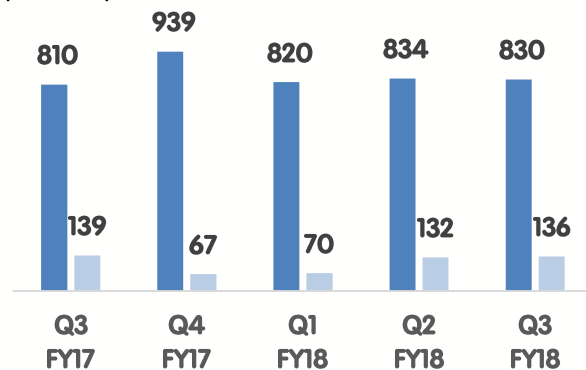
- **Industry First: Fully digital model** - 96% of the accounts are opened digitally and clients are able to trade on the same day

Network and Client base

- **Extensive geographic footprint** - over 80 branches and **approx. 1,450 customer touch points**
- **Broking accounts: Equity over 8,45,900 (+7%) | Commodity over 98,000 (+38%)**

Total income & Profit Before Tax

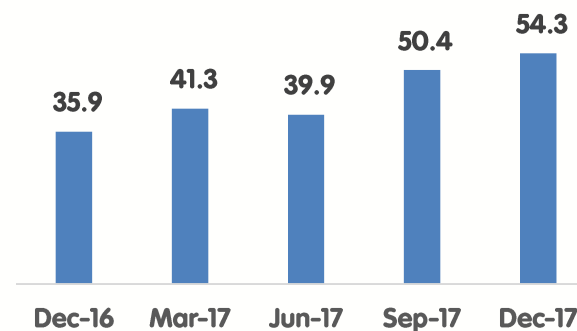
(Rs. million)



■ Total Income ■ Profit Before Tax

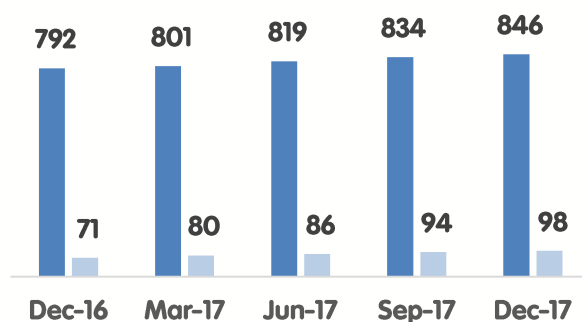
Wealth Management AUM

(Rs. billion)



Equity and Commodity Broking Accounts

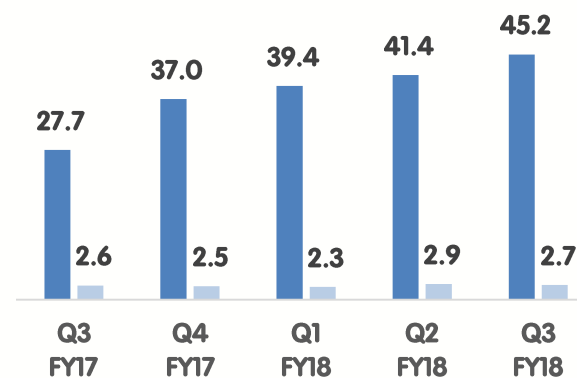
(in '000s)



■ Equity ■ Commodity

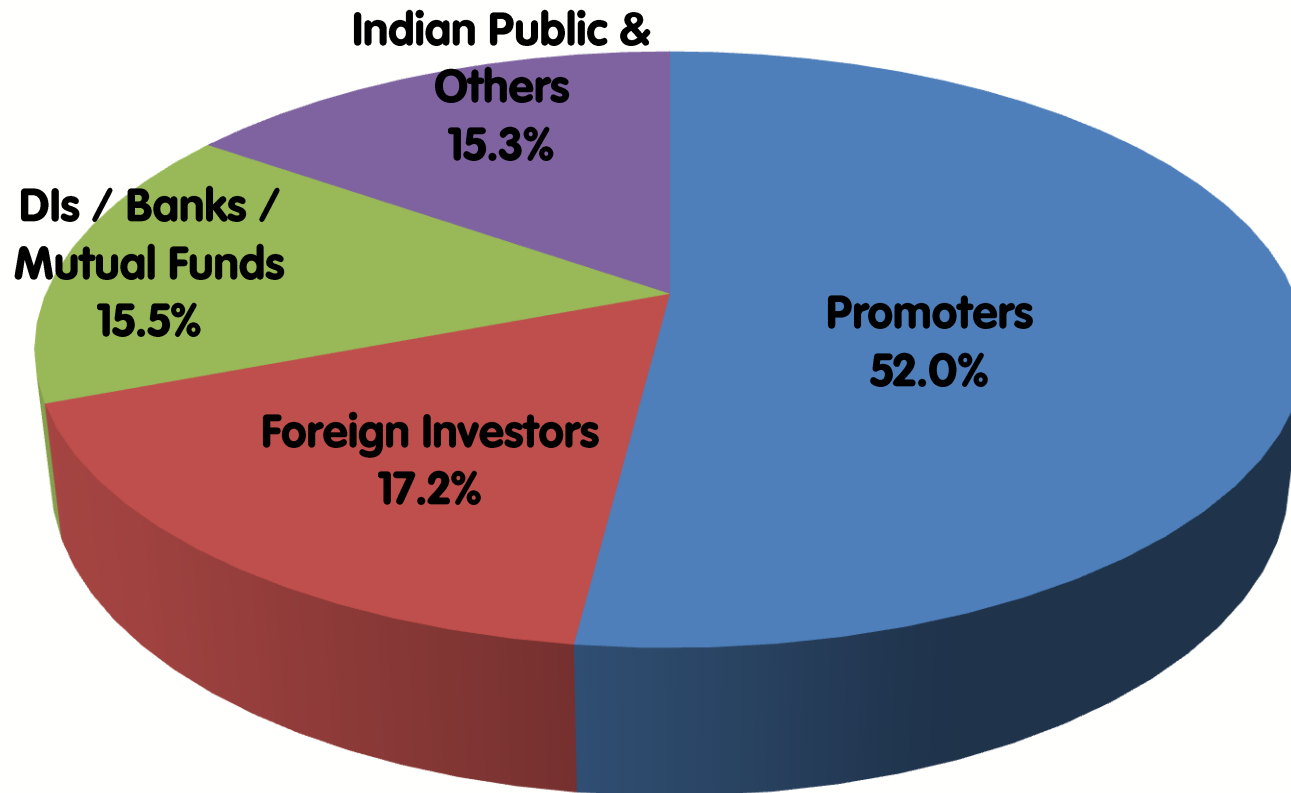
Average Daily Turnover (Stock exchanges and Commodities)

(Rs. billion)



■ Stock exchanges ■ Commodities

(As on Dec 31, 2017)



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

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Annexure



Profit & Loss statement

(Rs. million)	Q3 FY18	Q3 FY17	Change (y-o-y)	Q2 FY18	Change (q-o-q)	FY 2017
Interest Income	18,361	14,131	30%	17,437	5%	55,866
Capital Gains / Dividend	6,256	2,013	211%	5,796	8%	13,373
Premium Earned	20,753	18,328	13%	26,560	(22%)	80,196
Mgmt. & Advisory Fee	129	3,364	(96%)	112	15%	13,608
Brokerage & Comm.	1,136	575	98%	1,581	(28%)	4,167
Other Income	1,078	1,227	(12%)	1,160	(7%)	9,184
Total Income	47,713	39,637	20%	52,645	(9%)	1,76,396
Interest & Fin. Charges	10,213	7,806	31%	10,057	2%	30,677
Other Expenses	33,560	28,406	18%	38,273	(12%)	1,30,330
Total Expenses	43,773	36,213	21%	48,330	(9%)	1,61,007
Profit before tax	3,940	3,424	15%	4,315	(9%)	15,388
Net profit after tax	3,146	2,095	50%	3,399	(7%)	10,859

Profit & Loss statement

(Rs. million)	Q3 FY18	Q3 FY17	Change (y-o-y)	Q2 FY18	Change (q-o-q)	FY 2017
Income	4,704	3,586	31%	4,360	8%	14,359
Expenses	2,817	2,055	37%	2,590	9%	8,546
Profit before tax	1,887	1,531	23%	1,770	6%	5,813

(Rs. billion)	Dec 31, 2017	Mar 31, 2017	Dec 31, 2016	Mar 31, 2016
Debt	1,246.2	1,281.0	1,297.8	968.2
Equity	866.9	609.8	527.7	475.3
ETFs	108.5	117.9	66.3	4.2
Gold	24.4	27.2	27.3	13.8
Managed Accounts	12.9	12.8	14.1	14.6
Pension Funds	1,571.7	1,425.1	1,361.0	1,222.9
Offshore Funds	30.7	19.1	14.2	43.3
Alternative Invst. Fund	17.6	13.2	12.1	9.5
Total AAUM	3,878.7	3,506.0	3,320.5	2,751.7

Profit & Loss statement

(Rs. million)	Q3 FY18	Q3 FY17	Change (y-o-y)	Q2 FY18	Change (q-o-q)	FY 2017
Assets under Management	170,311	161,911	5%	162,808	5%	167,590
Net Interest Income	2,054	1,570	31%	1,602	28%	6,593
Total Income	5,795	4,836	20%	5,122	13%	19,535
Interest expenses	2,792	2,509	11%	2,819	(1%)	10,399
Other expenses	1,088	783	39%	943	15%	3,342
Provisions	1,050	568	85%	558	88%	2,368
Profit before tax	865	976	(11%)	803	8%	3,427

Profit & Loss statement

(Rs. million)	Q3 FY18	Q3 FY17	Change (y-o-y)	Q2 FY18	Change (q-o-q)	FY 2017
Disbursements	16,285	12,029	35%	20,025	(19%)	73,331
Net Interest Income	1,208	700	73%	1,207	-	2,168
Total Income	4,206	2,690	56%	4,069	3%	11,141
Interest expenses	2,678	1,798	49%	2,663	1%	7,531
Other expenses	678	454	49%	661	3%	1,999
Provisions	149	93	59%	156	(5%)	232
Profit before tax	701	345	103%	589	19%	1,378

Profit & Loss statement

(Rs. million)	Q3 FY18	Q3 FY17	Change (y-o-y)	Q2 FY18	Change (q-o-q)	FY 2017
Gross Written Premium	10,750	8,554	26%	16,880	(36%)	40,071
Profit / (loss) before tax	283	183	54%	465	(39%)	1,303
Investment book	75,717	64,830	17%	72,802	4%	67,243
Combined ratio	119%	132%	-	109%	-	120%
No. of policies issued	1.2	1.0	16%	1.1	8%	4.1

Profit & Loss statement

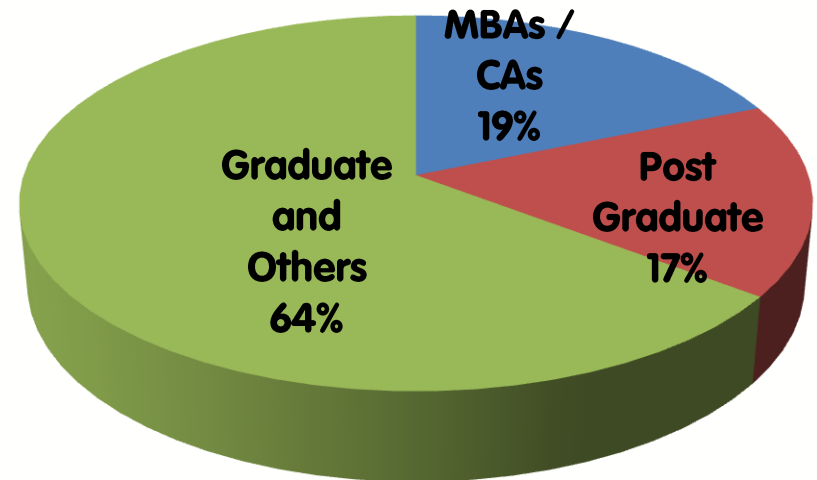
(Rs. million)	Q3 FY18	Q3 FY17	Change (y-o-y)	Q2 FY18	Change (q-o-q)	FY 2017
First year premium	1,914	1,853	3%	1,879	2%	9,573
Single premium	242	294	(17%)	187	30%	943
Total New business premium	2,156	2,146	-	2,066	4%	10,516
Renewal Premium	7,940	7,757	2%	7,624	4%	29,752
Total premium (net of reinsurance)	9,981	9,808	2%	9,631	4%	39,993
Profit before tax	(147)	1	-	(50)	-	(611)
Total funds under management	188,296	162,466	16%	179,827	5%	172,531

Profit & Loss statement

(Rs. million)	Q3 FY18	Q3 FY17	Change (y-o-y)	Q2 FY18	Change (q-o-q)	FY 2017
Total Income	830	810	2%	834	-	3,083
Total expenses	694	671	3%	702	(1%)	2,667
Profit before tax	136	139	(2%)	132	3%	415

Qualification profile

- **Over 15,200 employees**
- **71% in Customer Facing roles**
- **Young workforce**
- **Post Graduates and Professionals form 35% of the total workforce**
- **More than 2,000 women employees**



Young & vibrant workforce – average age of 34 years