

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".

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# Results for the quarter ended December 31, 2018

Investor Presentation

February 13, 2019

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

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

**Q3 Profit After Tax of Rs. 2.1 billion and Total asset size of Rs. 894.0 billion**

Over **20 million** customers, 20,000 employees, and over **Rs. 4.8 trillion in AUM**

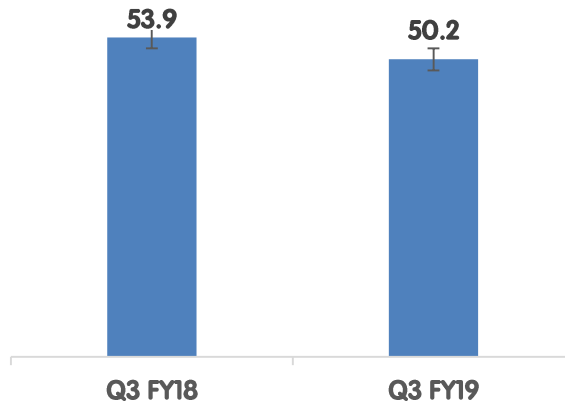
# Key Performance Highlights

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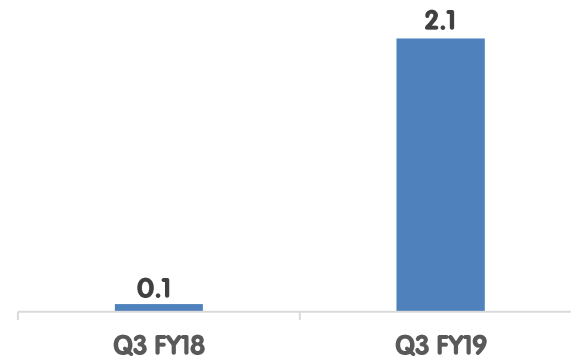
## Total Income

(Rs. billion)



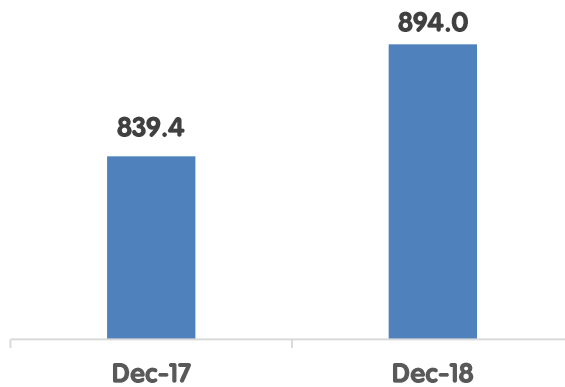
## Profit After Tax

(Rs. billion)



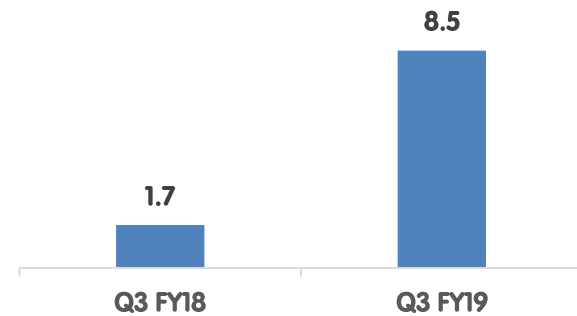
## Total Assets

(Rs. billion)



## Earnings Per Share

(Rs.)



# Reliance Nippon Life Asset Management



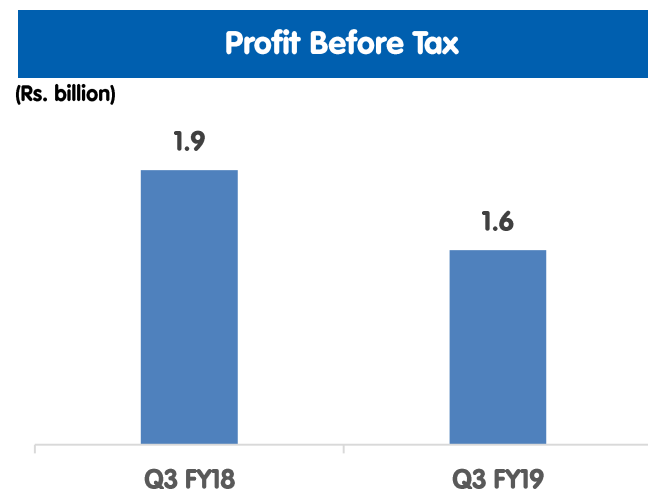
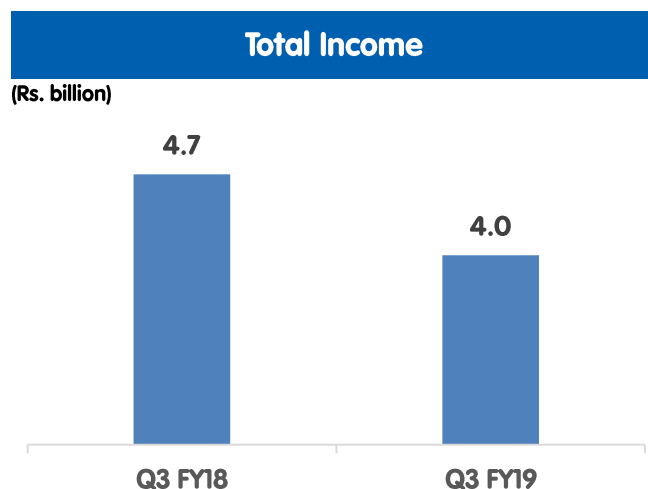
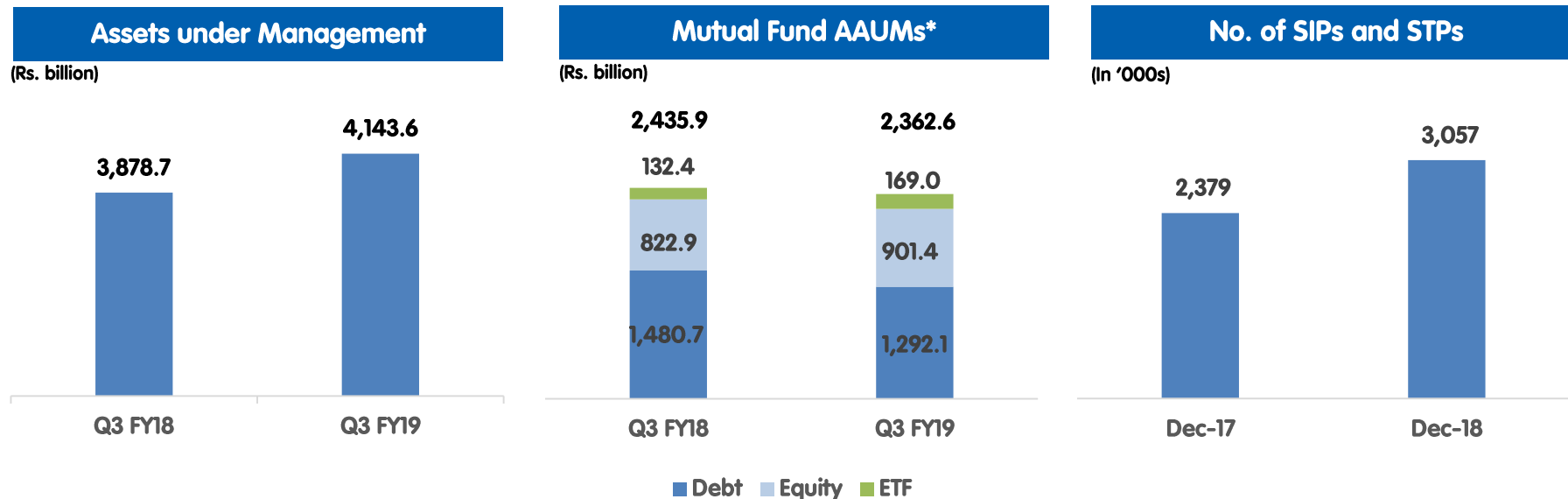
- **One of India's largest asset manager** with AUM of Rs. 4.1 trillion (+7%)
- **One of the most Profitable AMCs** in the Industry (**Q3 FY19 PBT: Rs. 1.6 billion**)

### 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 - **3.1 million**
  - **Annualised SIP inflows of Rs. 101.0 billion**
- **Approx. 9 million (+16%) investor folios** - Amongst the highest in the industry
- **MAAUM from smaller locations (B-30 segment)** rose to **over Rs. 428.0 billion**
- Presence at nearly 300 locations and over **72,500 empanelled distributors**

### Diversified AUM base

- RNAM Board Declared Interim Dividend of Rs. 3 per share in Jan 2019
- **Equity assets (incl. ETF) at Rs. 1.0 trillion - up 12%**
- **MF Equity Assets** (as a share of total AAUM) **rose** from 34% **to 38% in Q3 FY19**
- **Leadership position in Retail Assets (MAAUM at Rs. 830.0 billion)**
  - Added **highest retail assets** (Rs. 120.0 billion) in the industry since Dec 2017
- **One of the largest player in the ETF market (16.9% market share)**
  - Successfully raised Rs. 170.0 billion as part of further fund offer 3 of CPSE ETF
  - 89.6% market share in ETF volumes on the NSE and BSE (CY 2018)
- **Reliance AIF: commitment of approx. Rs. 25.0 billion** across various AIF schemes
- **Managing and advising assets of approx. Rs. 87.0 billion in Offshore AUMs**
- **Only AMC to have four prestigious mandates (ESIC, EPFO, NPS, CMPFO)**



\* 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. 155.3 billion (+5%)** as on Dec 2018
- **Gross NPA improved to 2.9% as on Dec 2018** vis-à-vis 4.4% as on Dec 2017
- **AUM stood at Rs. 172.6 billion as on Dec 2018**
- **Provisioning coverage ratio** stands at **48% as on Dec 2018**
- **Profit before tax increased** from Rs. 612 million to **Rs. 685 million (+12%)** in Q3 FY19

#### Strong customer base; entry into Retail Finance segments

- Present in 150 cities, **over 1,000 distribution points** across the country
- **Retail lending: Disbursed** over **30K retail loans**
- 100% sourcing through **digital lending platform; Real-time evaluation** & approvals

## Segment Detail - Reliance Commercial Finance

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(As on December 2018)

Segment	Focus Area for growth	Average Yield	LTV	Share in Total AUM
SME	Cluster-based growth approach	13%	59%	72%
Infra Lending	Small project bridge lending	14%	29%	3%
Microfinance	Lending to / through MFIs	22%	88%	6%
Retail	Two wheeler, used car and personal loans	20%	78%	5%
Others	Loan against Property, Developer Finance, CVs, etc.	14%	36%	14%

# Financial Performance - Reliance Commercial Finance

## Assets under Management

(Rs. billion)

177.8

172.6

Dec-17

Dec-18

## Total Loan Portfolio

(Rs. billion)

147.2

155.3

Dec-17

Dec-18

## Asset Quality

(%)

4.4%

1.9%

2.9%

1.5%

Dec-17

Dec-18

■ Gross NPL ■ Net NPL

## Total Income and Profit Before Tax

(Rs. billion)

5.2

0.6

Q3 FY18

5.2

0.7

Q3 FY19

■ Total Income ■ Profit Before Tax

## Yield and Net Interest Margin

(%)

16.1%

14.3%

6.2%

5.5%

Q3 FY18

Q3 FY19

—●— Yield —●— NIM

## Cost-to-income Ratio

(%)

38.2%

36.6%

Q3 FY18

Q3 FY19

# Reliance Home Finance



### Continued robust growth with superior asset quality

- **AUM** increased to **Rs. 182.9 billion (+24%)** as on December 2018
  - **70% of the HL disbursements** cater to the **Self-Employed segment**
- **Profit before tax** at **Rs. 876 million (+30%)** in Q3 FY19
- **NIM declined marginally to 3.5% in Q3 FY19** vis-à-vis 3.6% in Q3 FY18
- **Gross NPAs stood at 0.9% as on Dec 2018** as against 0.8% as on Dec 2017
- **Capital Adequacy** ratio was at **18.8%**; **Tier I ratio at 12.7%**

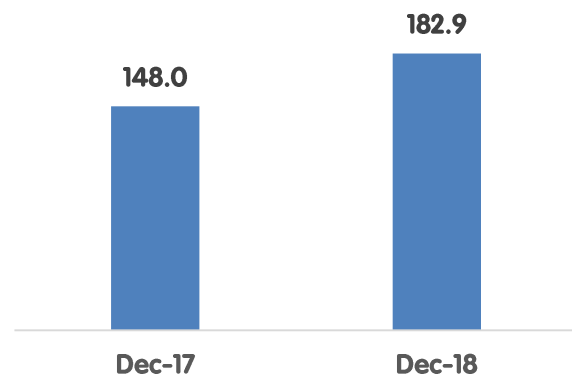
### Wide distribution network with focus on self-employed clientele

- Present in approx. **140 locations** through a 'hub and spoke' model with branches in  
59 cities

# Financial Performance - Reliance Home Finance

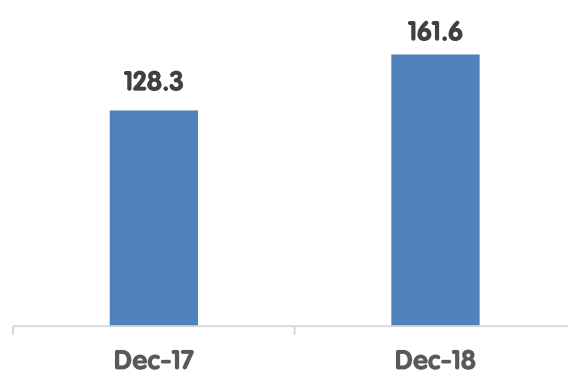
## Assets Under Management

(Rs. billion)



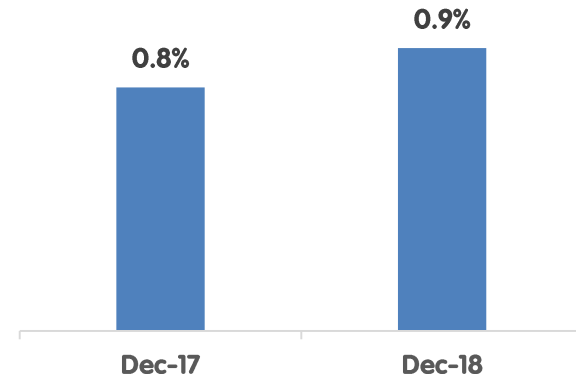
## Total Loans

(Rs. billion)



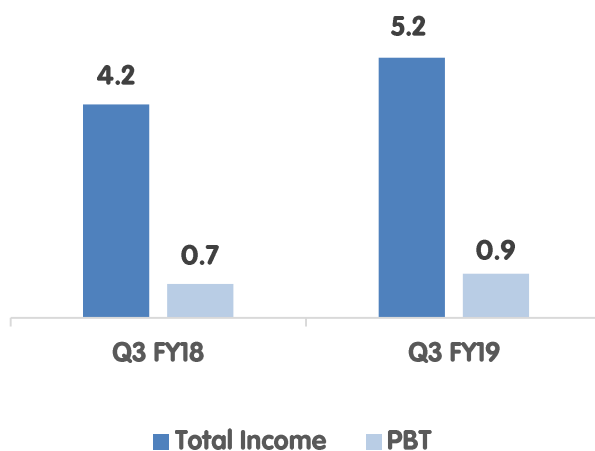
## Gross NPLs

(%)



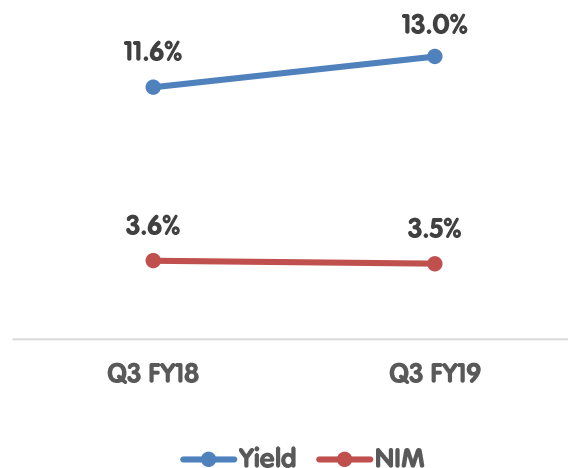
## Total Income and Profit Before Tax

(Rs. billion)



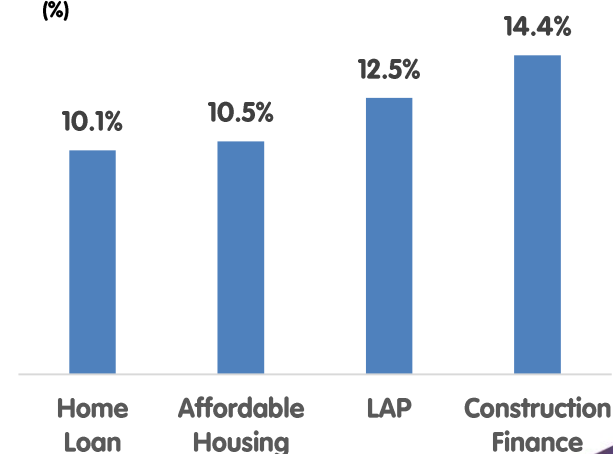
## Yield and Net Interest Margin

(%)



## Average yield (%)

(%)



# Reliance General Insurance



- **8.2% market share** in the private sector; **largest agency force of approx. 29,600 agents**
- **Gross written premium** rose by **22%** to **Rs. 13.2 billion**
  - **Strong growth in segments like private car, health, travel and commercial lines**
- **Online channel: premium received** rose by **29%**
- **Q3 FY19 PBT** at **Rs. 340 million (+20%)**; net worth at Rs. 15.4 billion (+13%) as on Dec 2018
- **Q3 FY19 return on equity** at **9%**; solvency margin at 164%
- **Combined ratio** was stable at **120% in Q3 FY19**
- **Diversified distribution network with strong line-up of banca tie-ups with major banks**



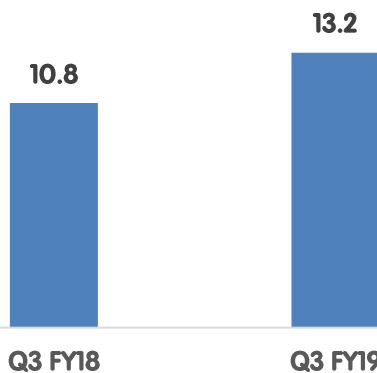
# Financial Performance - Reliance General Insurance

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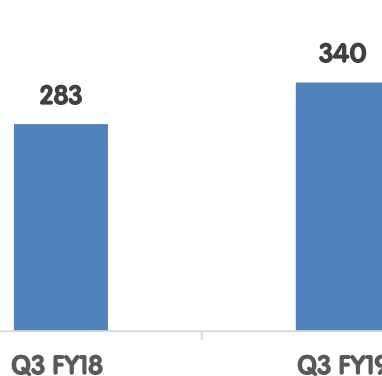
## Gross Written Premium

(Rs. billion)



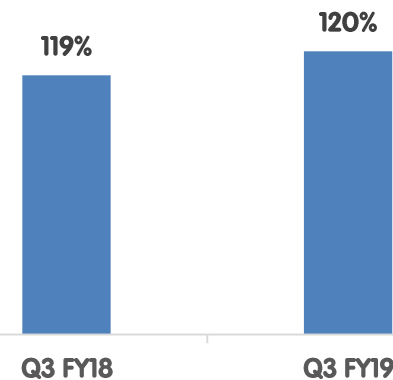
## Profit Before Tax

(Rs. million)

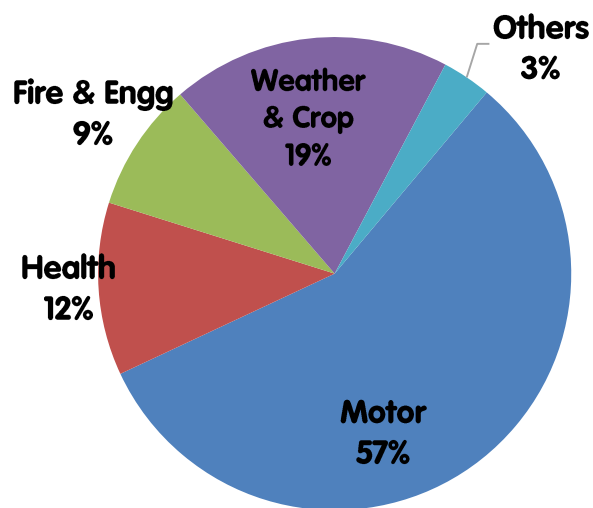


## Combined Ratio

(%)

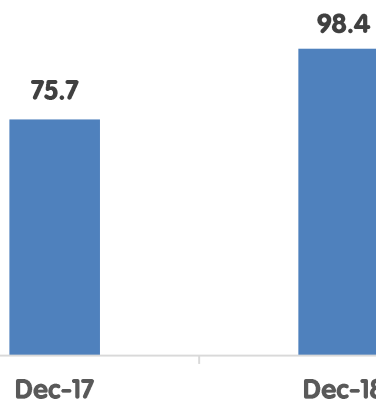


## Business mix



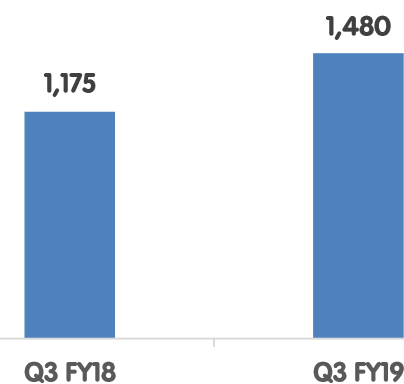
## Investment Book

(Rs. Billion)



## No. of Policies Issued

(in '000s)



\* Financials are based on IRDAI reporting

# Reliance Nippon Life Insurance



### Focus on profitable and healthy business

- **Individual WRP at Rs. 2.2 billion (+34%); Renewal Premium stood at Rs. 7.9 billion**
- **Total premium (net) increased to Rs. 10.3 billion (+3%) in Q3 FY19**
- **Average ticket size** improved by **15%** to **over Rs. 40,700**; traditional products formed 71% of the Individual New Business premium
- **Strong rise in persistency** from 69% to **75% in Q3 FY19**
- **Assets under Management increased to Rs. 202.0 billion (+7%)**
- **Solvency margin at 279%** vis-à-vis regulatory requirement of 150%
- **Largest network of approx. 730 offices and over 59,200 active advisors**

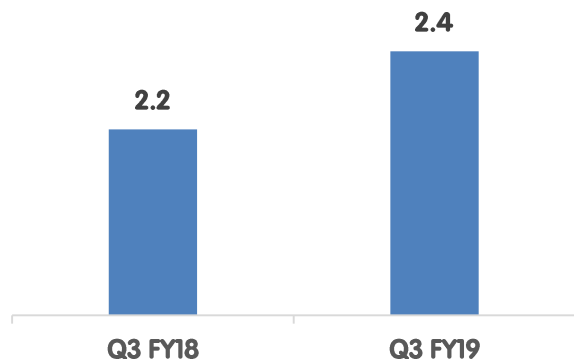
# Financial Performance - Reliance Nippon Life Insurance

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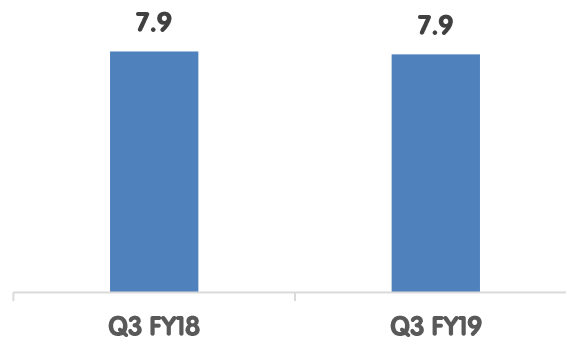
## New Business Premium

(Rs. billion)



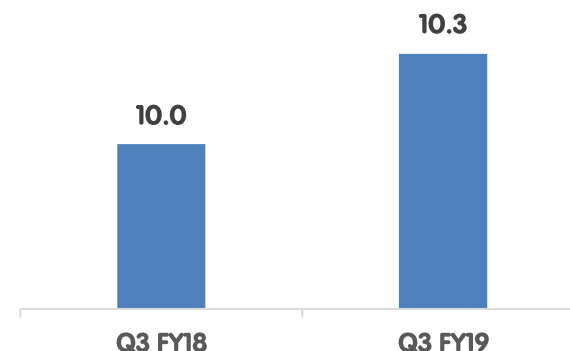
## Renewal Premium

(Rs. billion)



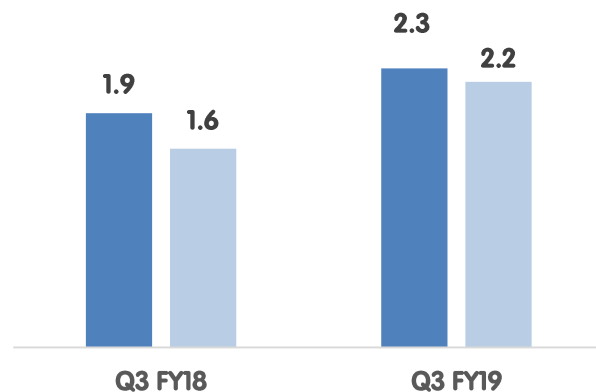
## Total Premium (net of reinsurance)

(Rs. billion)



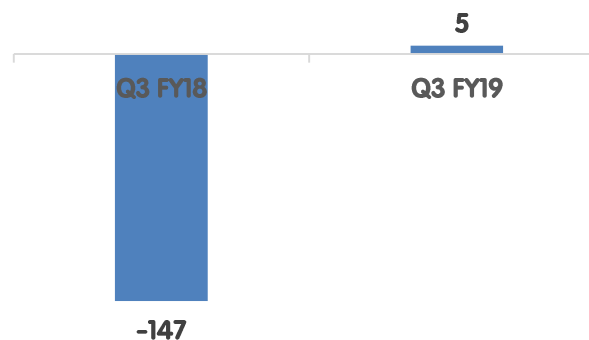
## Weighted Received Premium

(Rs. billion)



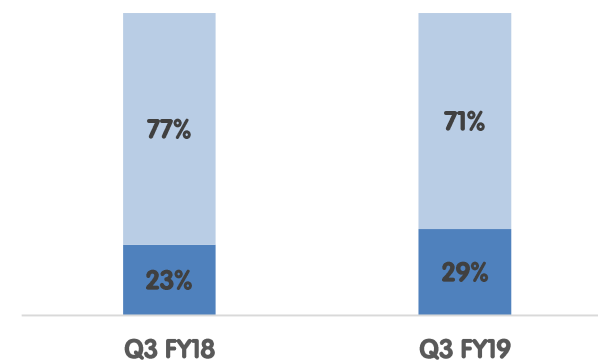
## Profit Before Tax

(Rs. million)



## Business Mix (Ind. New Business)

(%)



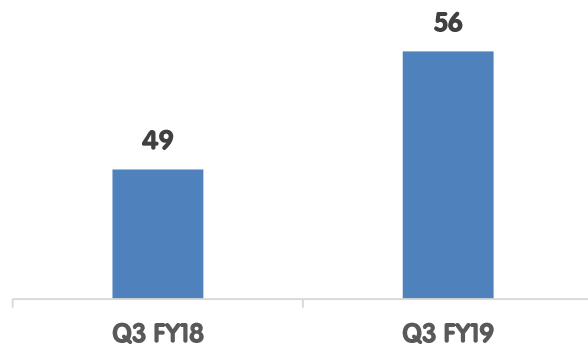
■ WRP ■ Individual WRP

■ ULIP ■ Traditional

\* Financials are based on IRDAI reporting

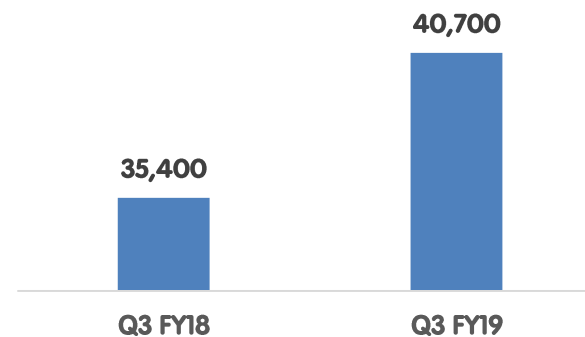
## No. of Individual Policies sold

(in '000s)



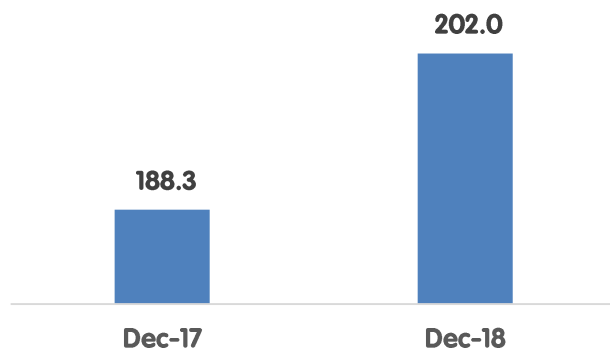
## Average Ticket size (approx.)#

(Rs.)



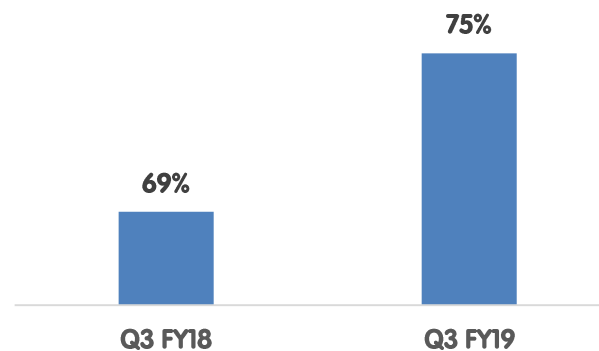
## Funds under Management

(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. 667 million to **Rs. 835 million (+25%)** in Q3 FY19
- **Q3 FY19 PBT** rose to **Rs. 62 million** from loss of Rs. 73 million in Q3 FY18; **return on equity** at **14%**
- **Average daily stock exchange turnover** rose by **13%** to **Rs. 51.2 billion**
- **Wealth Management: AUMs** stood at **Rs. 37.6 billion** as on December 2018

### Digital transformation

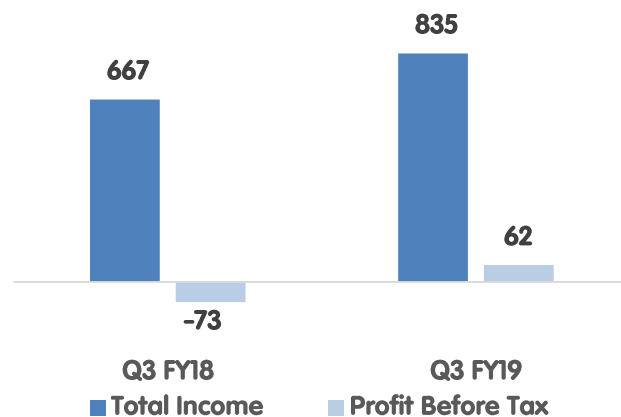
- **Industry First: Fully digital model** - 95% of the accounts are opened digitally and clients are able to trade on the same day
- **Integrated single platform for broking and distribution**

### Network and client base

- **Extensive geographic footprint** - 112 branches and **approx. 1,300 customer touch points**
- **Broking accounts: Equity** over **8,83,000 (+4%)** | **Commodity** approx. **1,07,000 (+9%)**

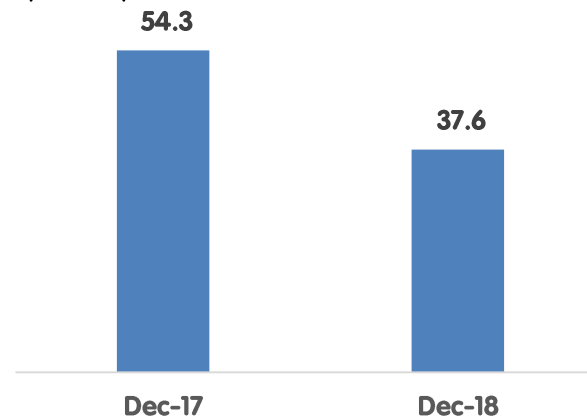
## Total income & Profit Before Tax

(Rs. million)



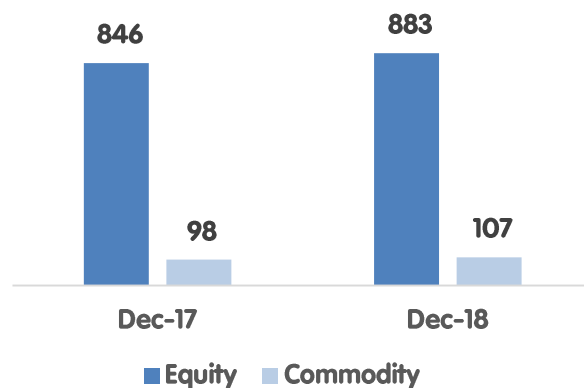
## Wealth Management AUM

(Rs. billion)



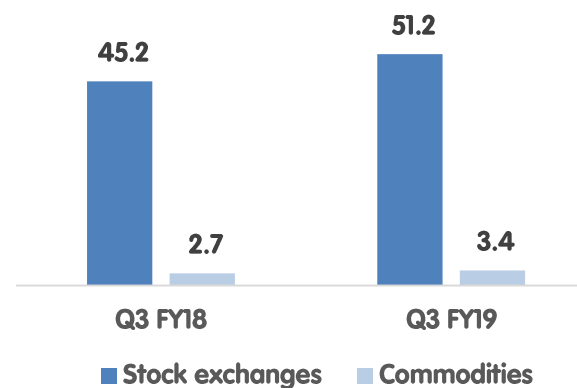
## Equity and Commodity Broking Accounts

(in '000s)



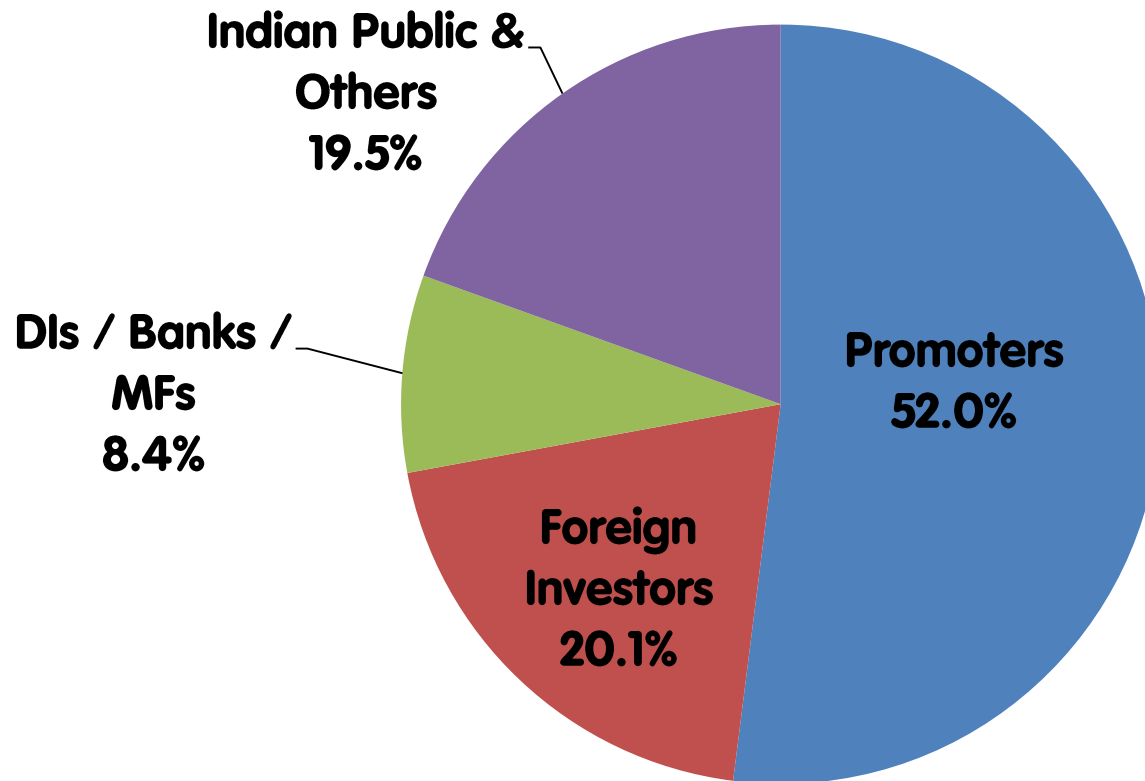
## Average Daily Turnover (Stock exchanges and Commodities)

(Rs. billion)





(As on December 31, 2018)



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

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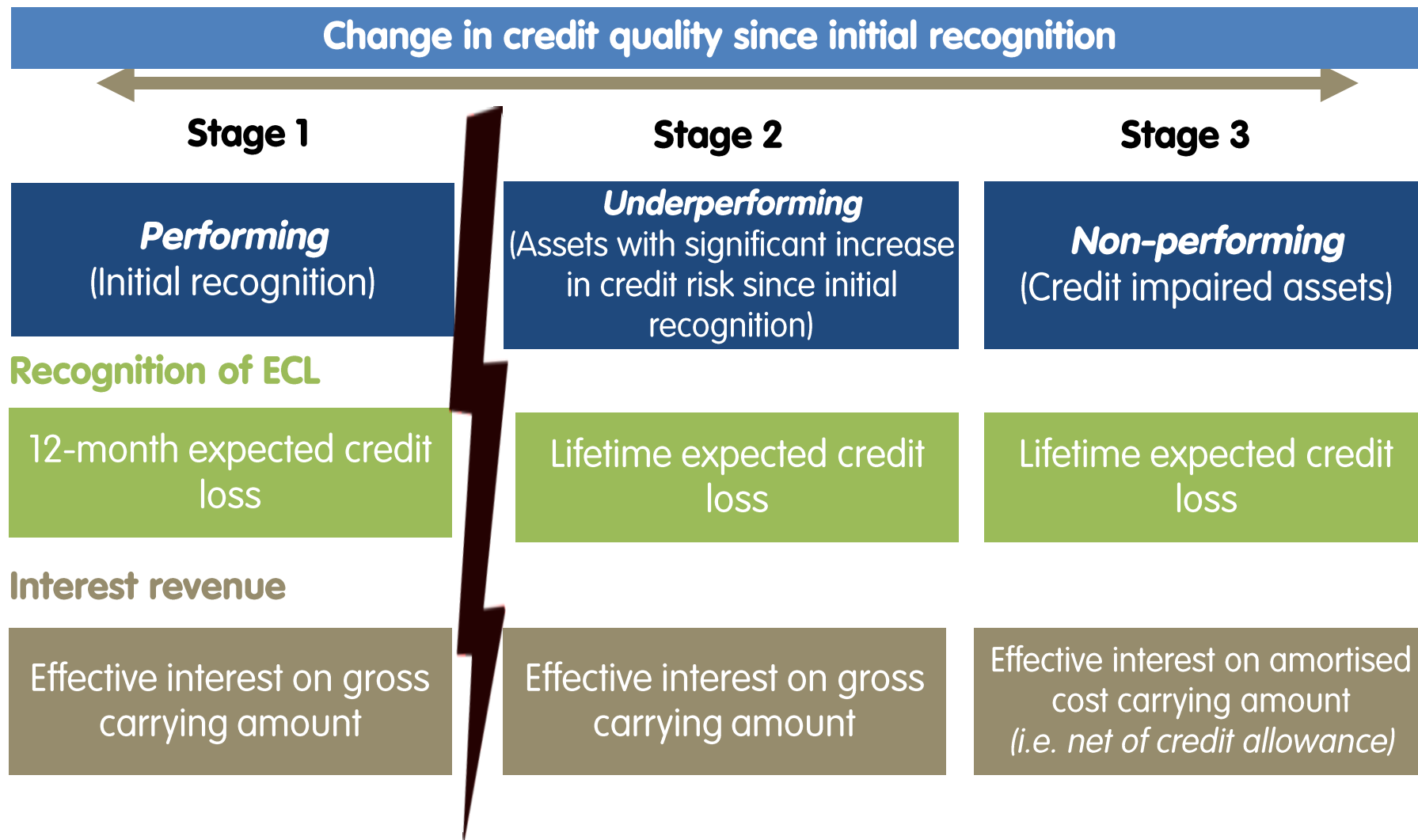
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Thank you

# 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

(Rs. million)	Q3 FY18
Net profit or loss as per Previous GAAP (Indian GAAP)	2,910
Add/Less: Adjustments	
Expected Credit Loss on Loan and Interest (ECL)	(3,470)
Effect of scheme amalgamation / merger	(172)
EIR Adjustment	(320)
Fair valuation of Investments	588
EIS on Direct Assignment (Recognized Upfront)	(168)
Deferred tax impact on account of Ind AS adjustment	226
Premium deficiency reserves reversal	555
Deposit accounting for investment contracts without DPF effect	(287)
Others adjustment as per Ind AS	508
Net profit / (loss) as per Ind AS	370
Other Comprehensive income after tax as per Ind AS	(1,157)
Total comprehensive income for the period	(787)

## Profit &amp; Loss statement

(Rs. million)	Q3 FY19	Q3 FY18	Change (y-o-y)	Q2 FY19	Change (q-o-q)
Interest Income	19,886	17,940	11%	19,365	3%
Capital Gains / Dividend	190	89	113%	231	(18%)
Premium Earned	23,496	20,697	14%	30,578	(23%)
Mgmt. & Advisory Fee	429	278	54%	185	132%
Brokerage & Comm.	1,559	1,276	22%	1,674	(7%)
Other Income	4,599	13,580	(66%)	1,268	263%
<b>Total Income</b>	<b>50,159</b>	<b>53,861</b>	<b>(7%)</b>	<b>53,300</b>	<b>(6%)</b>
Interest & Fin. Charges	12,245	10,689	15%	10,745	14%
Other Expenses (incl. dep)	35,343	41,932	(16%)	39,126	(10%)
<b>Total Expenses</b>	<b>47,588</b>	<b>52,621</b>	<b>(10%)</b>	<b>49,871</b>	<b>(5%)</b>
Share in profit / loss of associates	408	363	12%	282	45%
<b>Profit before tax</b>	<b>2,979</b>	<b>1,603</b>	<b>86%</b>	<b>3,710</b>	<b>(20%)</b>
<b>Profit after tax</b>	<b>2,128</b>	<b>59</b>	<b>-</b>	<b>2,802</b>	<b>(24%)</b>

## Profit & Loss statement

(Rs. million)	Q3 FY19	Q3 FY18	Change (y-o-y)	Q2 FY19	Change (q-o-q)
Income	4,040	4,699	(14%)	4,240	(5%)
Expenses	2,407	2,806	(14%)	2,620	(8%)
Profit before tax	1,633	1,893	(14%)	1,620	1%

(Rs. billion)	December 31, 2018	September 30, 2018	December 31, 2017	September 30, 2017
Debt	1,095.4	1,212.4	1,246.2	1,360.0
Equity	932.9	893.9	866.9	748.8
ETFs	220.8	108.9	108.5	104.7
Gold	23.4	22.5	24.3	25.9
Managed Accounts & AIF	34.1	33.5	30.4	27.6
Pension Funds	1,806.2	1,750.3	1,571.7	1,523.9
Offshore Funds	30.8	27.1	30.7	24.3
Total AAUM	4,143.6	4,048.7	3,878.7	3,815.1



## Profit & Loss statement

(Rs. million)	Q3 FY19	Q3 FY18	Change (y-o-y)	Q2 FY19	Change (q-o-q)
Assets under Management	172,566	177,781	(3%)	181,210	(5%)
Net Interest Income	1,967	1,822	8%	1,796	10%
Total Income	5,246	5,194	1%	5,139	2%
Interest expenses	3,112	2,909	7%	3,008	3%
Other expenses	781	873	(11%)	880	(11%)
Provisions	668	800	(16%)	303	120%
Profit before tax	685	612	12%	948	(28%)

## Profit & Loss statement

(Rs. million)	Q3 FY19	Q3 FY18	Change (y-o-y)	Q2 FY19	Change (q-o-q)
Assets under Management	182,883	148,040	24%	164,644	11%
Net Interest Income	1,278	1,157	10%	1,403	(9%)
Total Income	5,161	4,239	22%	4,640	11%
Interest expenses	3,512	2,684	31%	2,938	20%
Other expenses	652	540	21%	489	33%
Provisions	121	339	(64%)	190	(36%)
Profit before tax	876	676	30%	1,023	(14%)

## Profit & Loss statement

(Rs. million)	Q3 FY19	Q3 FY18	Change (y-o-y)	Q2 FY19	Change (q-o-q)
Gross Written Premium	13,159	10,750	22%	20,250	(35%)
Profit / (loss) before tax	340	283	20%	560	(39%)
Investment book	98,393	75,717	30%	86,499	14%
Combined ratio	120%	119%	-	107%	-
No. of policies issued (in million)	1.5	1.2	26%	1.6	(6%)

## Profit & Loss statement

(Rs. million)	Q3 FY19	Q3 FY18	Change (y-o-y)	Q2 FY19	Change (q-o-q)
First year premium	2,294	1,914	20%	2,277	1%
Single premium	136	242	(44%)	280	(51%)
Total New business premium	2,430	2,156	13%	2,557	(5%)
Renewal Premium	7,927	7,940	-	7,917	-
Total premium (net of reinsurance)	10,299	9,981	3%	10,417	(1%)
Profit before tax	5	(147)	-	11	(54%)
Total funds under management	202,023	188,296	7%	196,116	3%

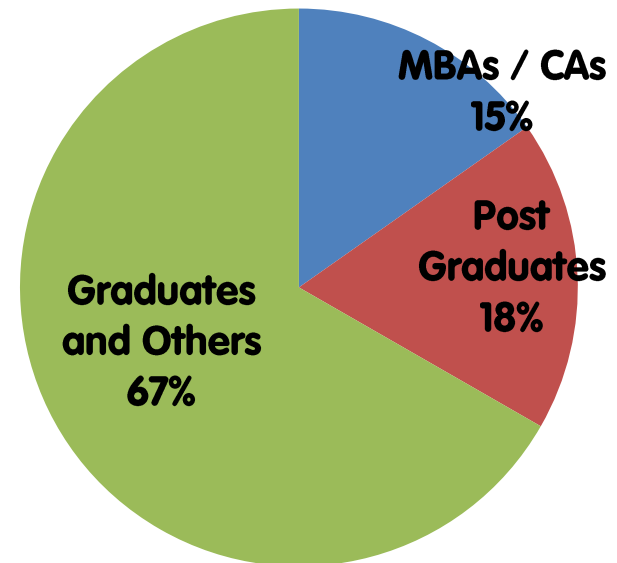
\* Financials are based on IRDAI reporting

## Profit & Loss statement

(Rs. million)	Q3 FY19	Q3 FY18	Change (y-o-y)	Q2 FY19	Change (q-o-q)
Total Income	835	667	25%	877	(5%)
Total expenses	773	740	4%	792	(2%)
Profit before tax	62	(73)	-	85	(27%)

- **Over 20,000 employees**
- **74% in Customer Facing roles**
- **Young workforce**
- **Post Graduates and Professionals form 33% of the total workforce**
- **Over 5,700 women employees**

## Qualification profile



**Young & vibrant workforce – average age of 36 years**

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