

Reliance Capital Limited  
Reliance Centre, 6<sup>th</sup> Floor, North Wing,  
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February 9, 2018

**BSE Limited**

Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai 400 001

**BSE Scrip Code: 500111**

**National Stock Exchange of India Limited**

Exchange Plaza, 5<sup>th</sup> Floor,  
Plot No. C/1, G Block,  
Bandra Kurla Complex,  
Bandra (East), Mumbai 400 051

**NSE Scrip Symbol: RELCAPITAL**

Dear Sir(s),

**Re.: Analysts Call**

Further to our letter dated February 8, 2018, on the above, we wish to inform that an analysts call was held on the unaudited financial results of the Company for the quarter and nine months ended December 31, 2017.

We enclose the presentation made to the analyst on the financial performance of the Company.

Thanking you.

Yours faithfully,

**For Reliance Capital Limited**



**Atul Tandon**

**Company Secretary & Compliance Officer**

Encl.: As Above.

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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

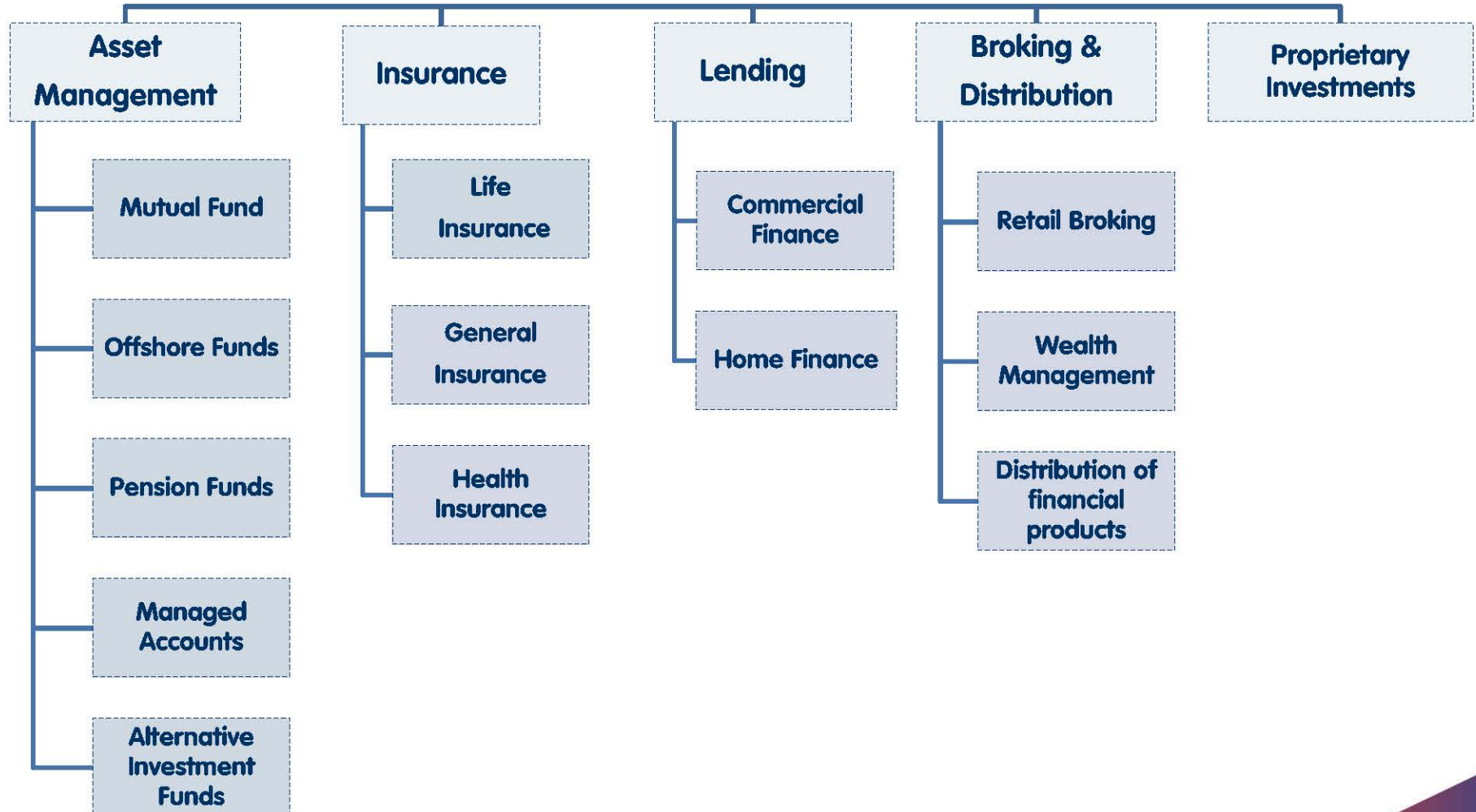
**Robust financial platform with top-end ratings and a conservative net debt-equity ratio of 2.48**

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

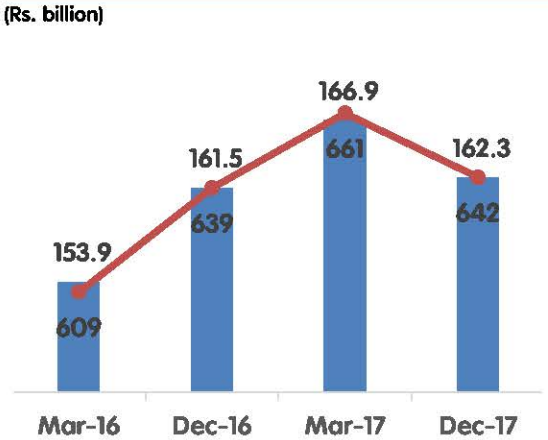
Over **20 million** customers, 15,200 employees, and **Rs. 4.5 trillion in AUM**

## Amongst India's Largest Non Banking Financial Companies

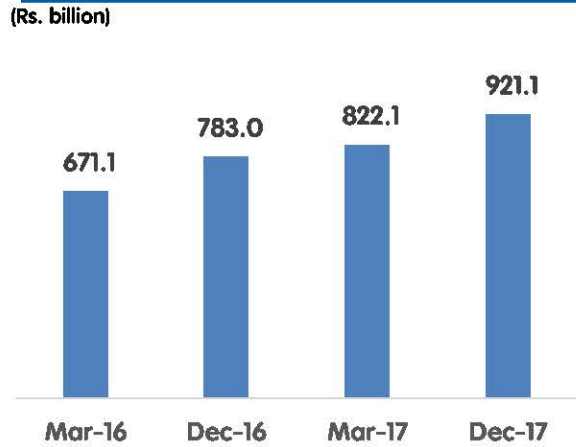
### Core Businesses



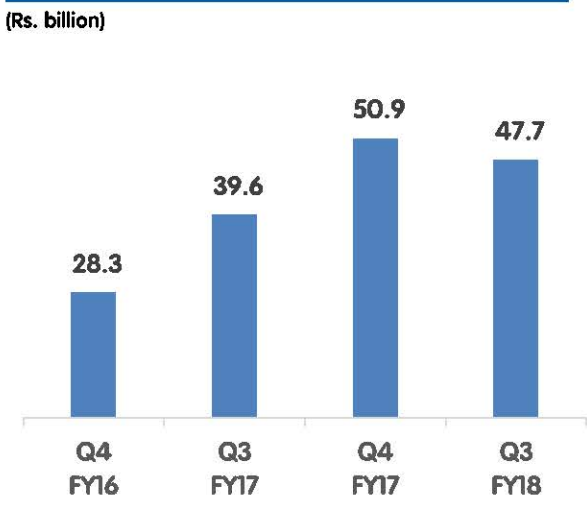
## Networth and Book value Per Share



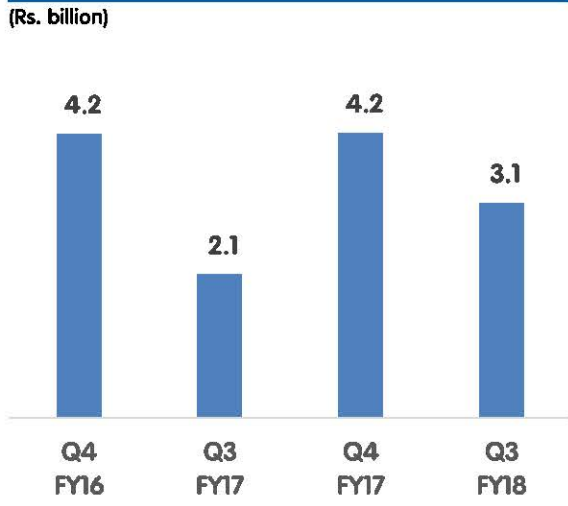
## Total Assets



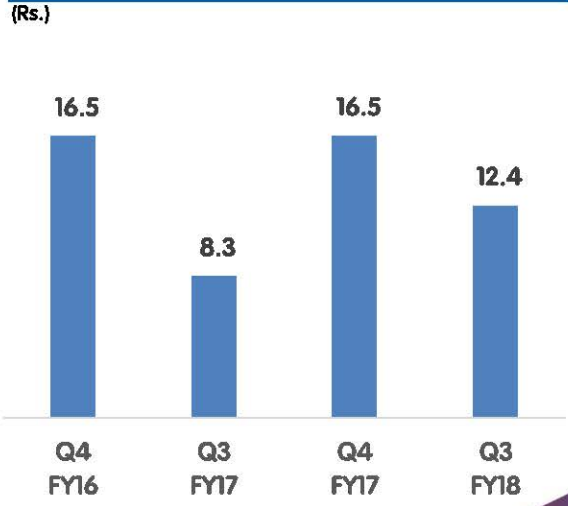
## Total Income



## Profit After Tax



## Earnings Per Share



\* 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

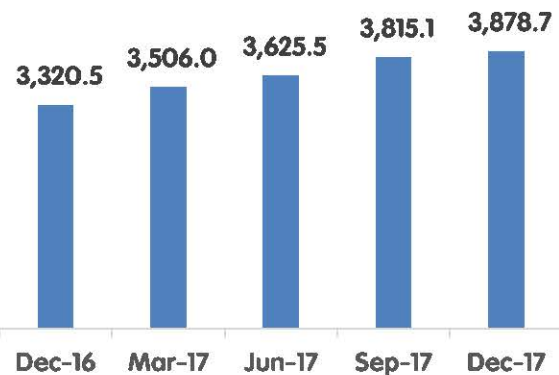
### Diversified AUM base

- **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



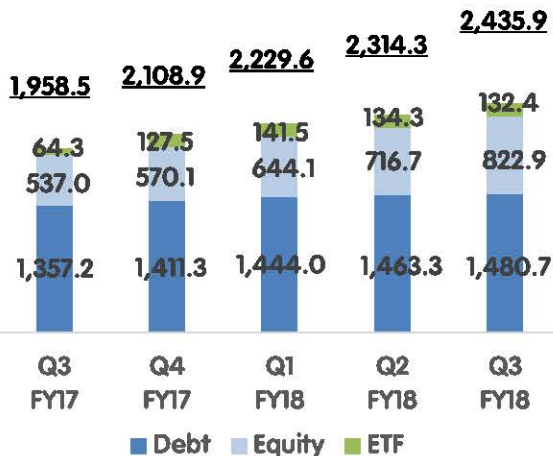
## Assets under Management

(Rs. billion)



## Mutual Fund AAUMs\*

(Rs. billion)



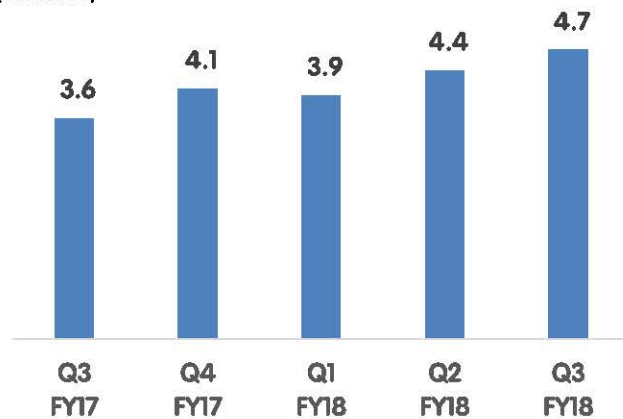
## No. of SIPs and STPs

(In '000s)



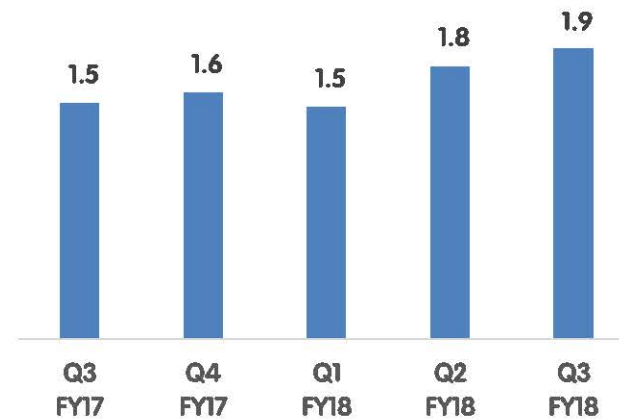
## Total Income

(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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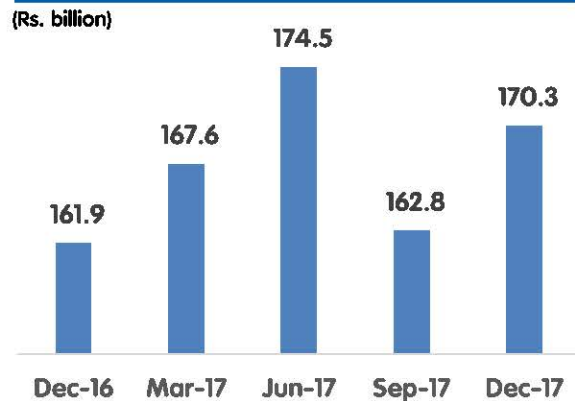
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(As on Dec 2017)

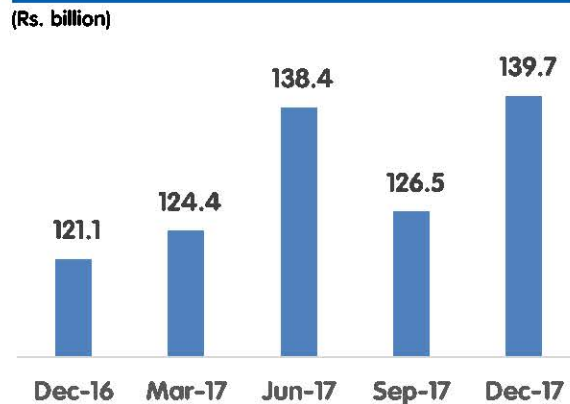
| Segment               | Focus Area for growth                       | LTV | Average Yield (%) | Share in Total AUM |
|-----------------------|---|-----|-------------------|--------------------|
| SME                   | Cluster-based lending approach              | 86% | 15.0%             | 58%                |
| 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%                 |



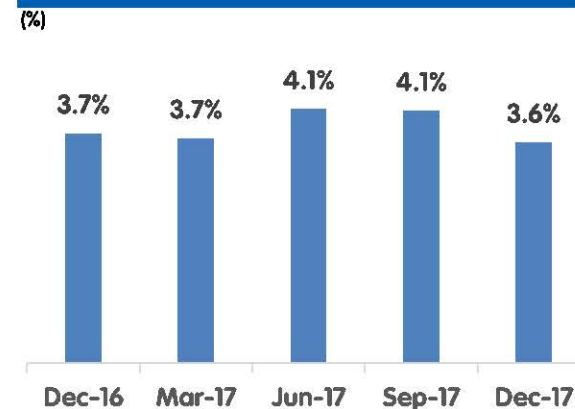
## Assets under Management



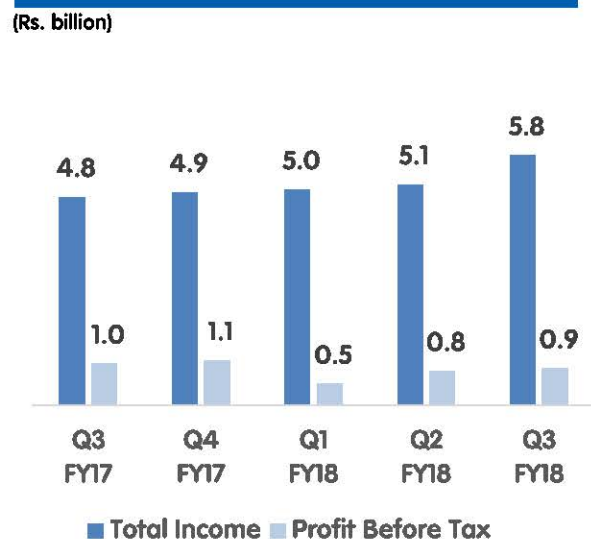
## Total Loan Portfolio



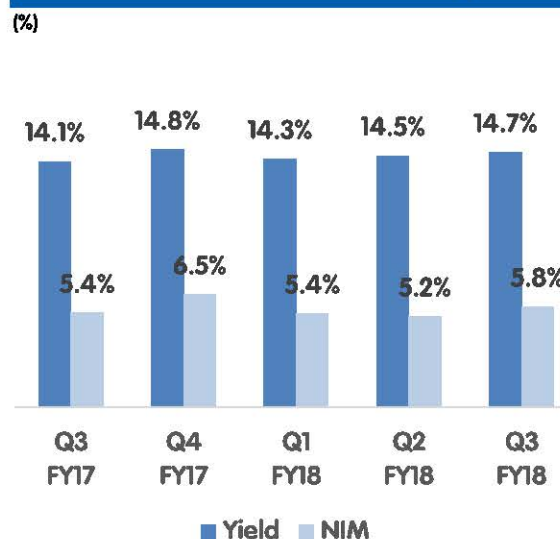
## Gross NPLs



## Total Income and Profit Before Tax



## Yield and Net Interest Margin



## 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%

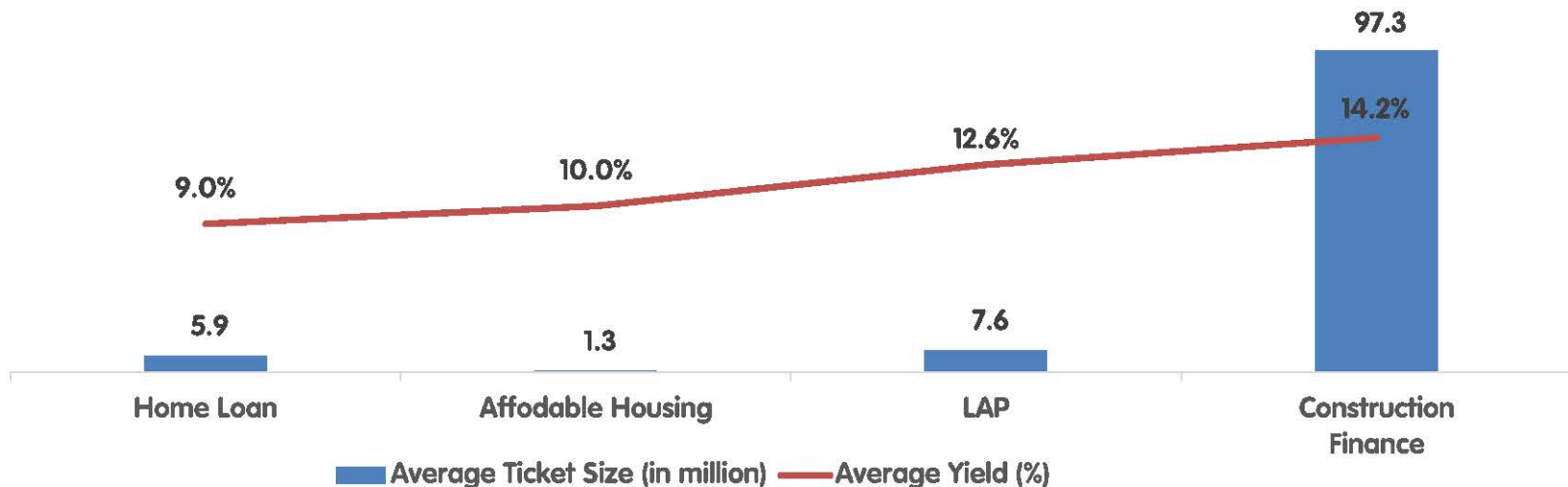
### Wide distribution network with focus on self-employed clientele

- 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

(As on Dec 2017)

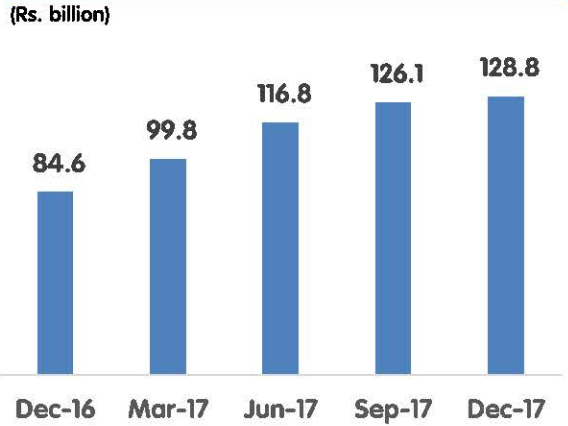
| Segment               | Focus Area for growth                    | LTV | Share in Total AUM |
|-----------------------|--|-----|--------------------|
| Home Loan             | Self Employed & Salaried                 | 50% | 31%                |
| Affordable Housing    | Affordable Housing in Tier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



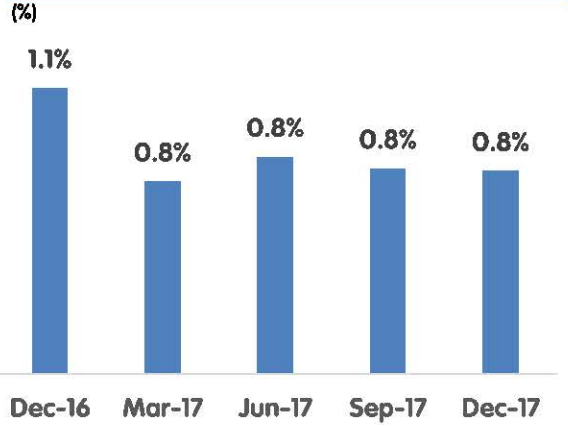
## Assets Under Management



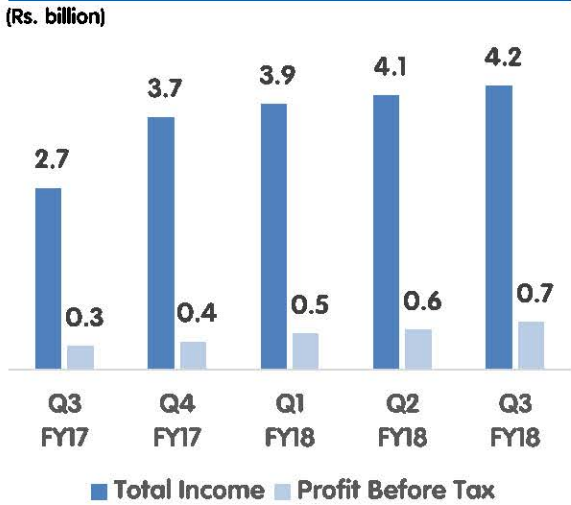
## Total Loans



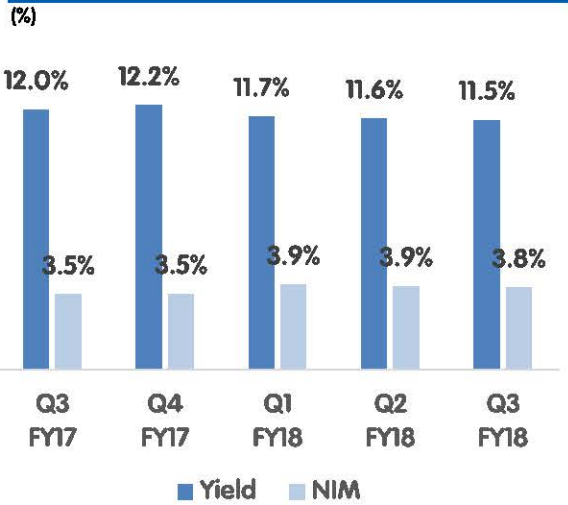
## Gross NPLs



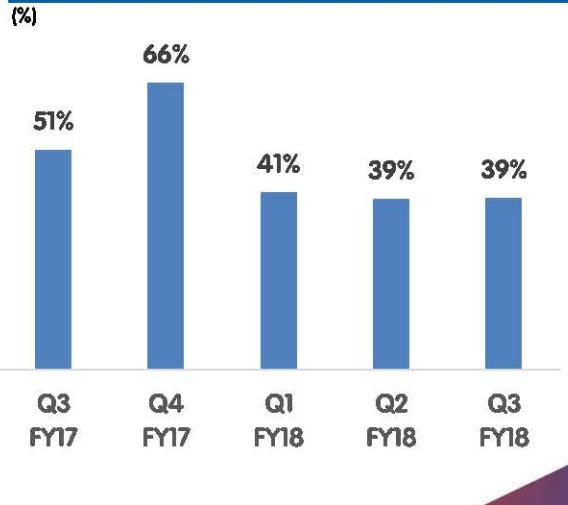
## Total Income and Profit Before Tax



## Yield and Net Interest Margin



## Cost-to-income ratio



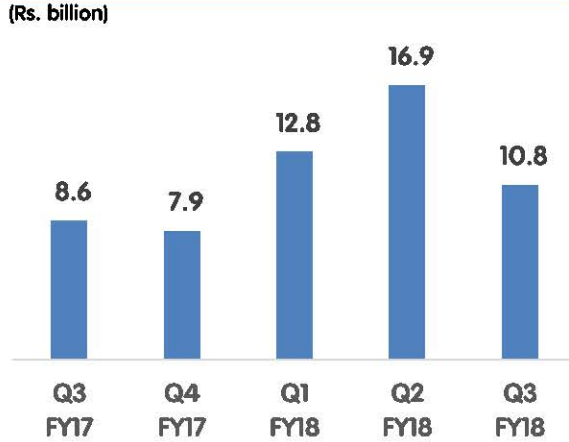
# Reliance General Insurance



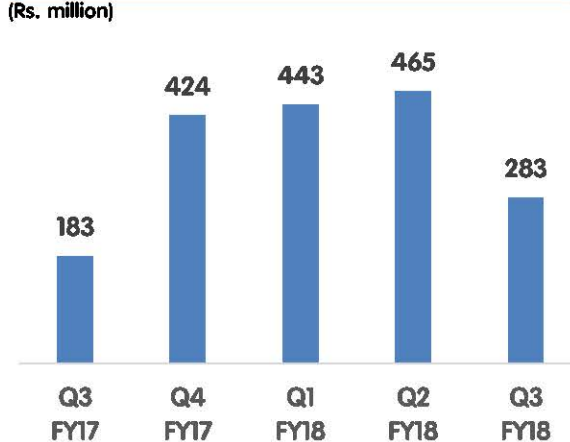
- **8.5% market share in the private sector; largest agency force of over 27,100**
- **Gross written premium rose by 26% to Rs. 10.8 billion**, as against industry growth of 18%
  - **Strong growth** in segments such as **private cars, health, travel and commercial lines**
- **Online channel: policies 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



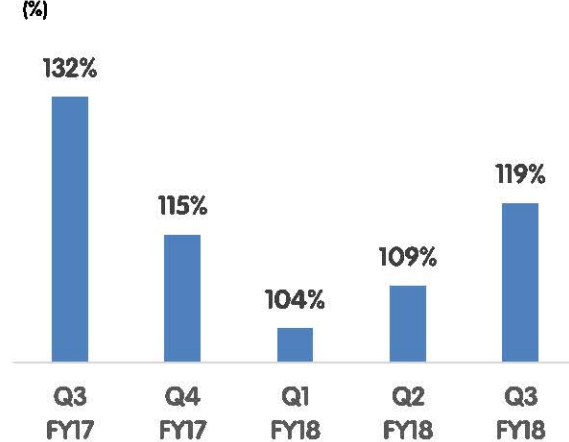
## Gross Written Premium



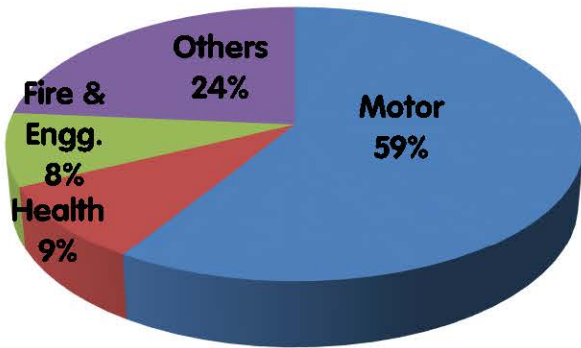
## Profit Before Tax



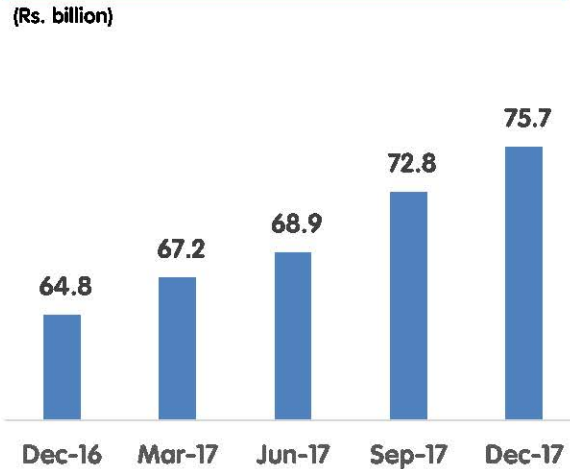
## Combined Ratio



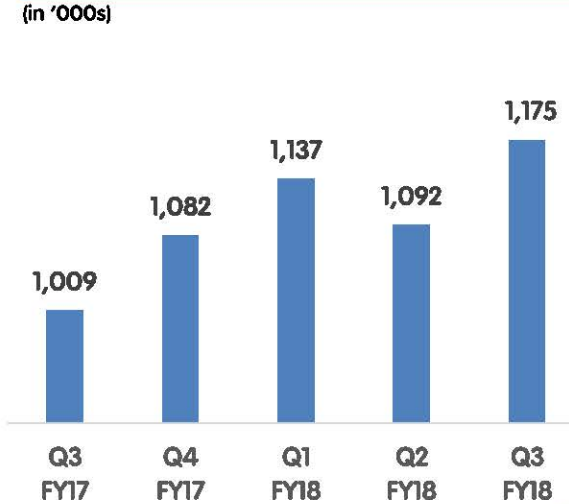
## Business mix



## Investment Book



## No. of Policies Issued





# Reliance Nippon Life Insurance



## Focus on profitable and healthy business

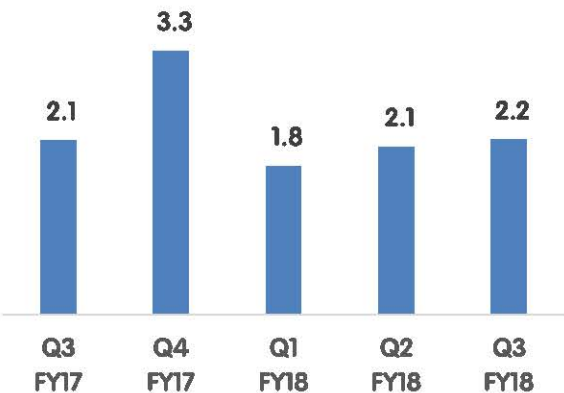
- **Successfully initiated distribution tie-up with Bank of Maharashtra; access to over 1,900 branches**
- **Largest network of approx. 750 offices and over 62,000 active advisors**
- **Individual WRP stood at Rs. 1.6 billion; Renewal Premium at Rs. 7.9 billion (+2%)**
- **Strong increase in persistency 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%

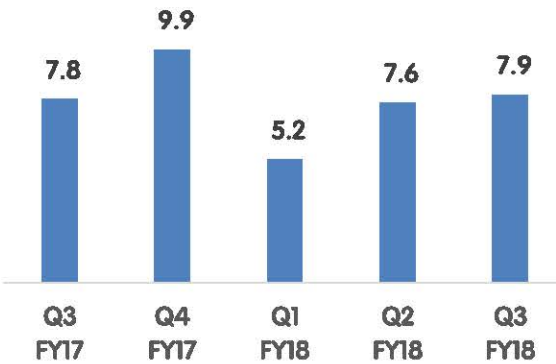
## New Business Premium

(Rs. billion)



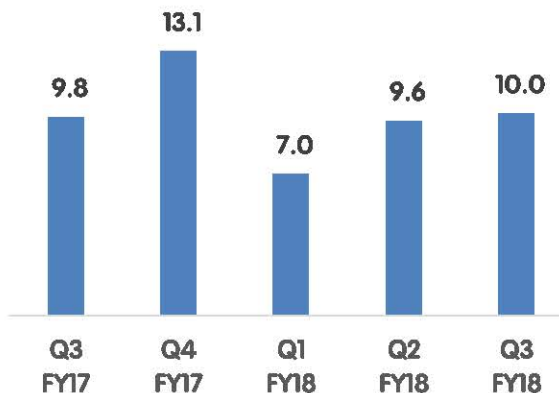
## Renewal Premium

(Rs. billion)



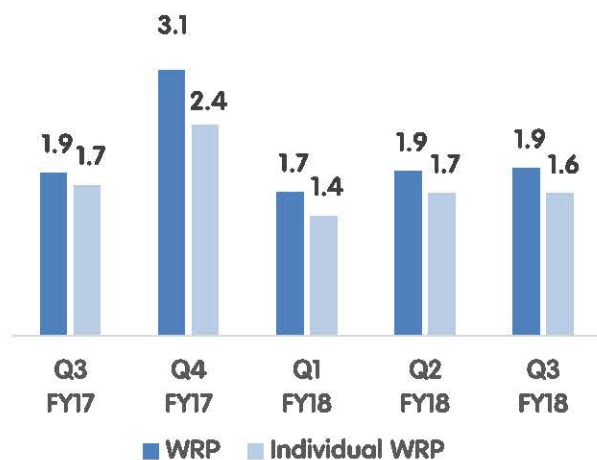
## Total Premium (net of reinsurance)

(Rs. billion)



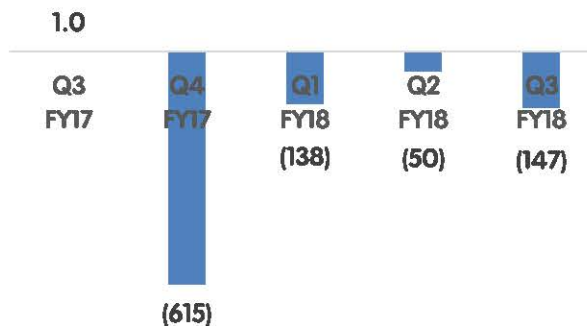
## Weighted Received Premium

(Rs. billion)



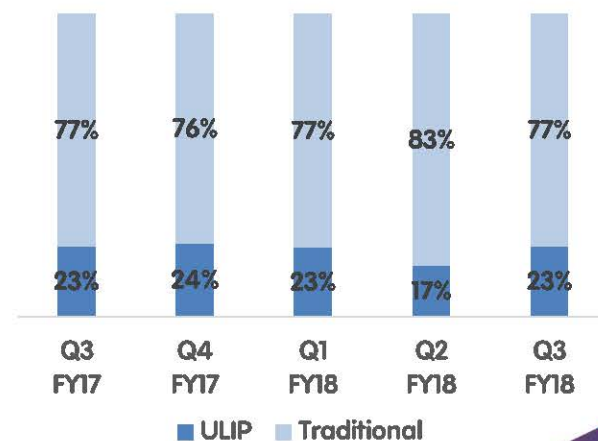
## Profit Before Tax

(Rs. million)



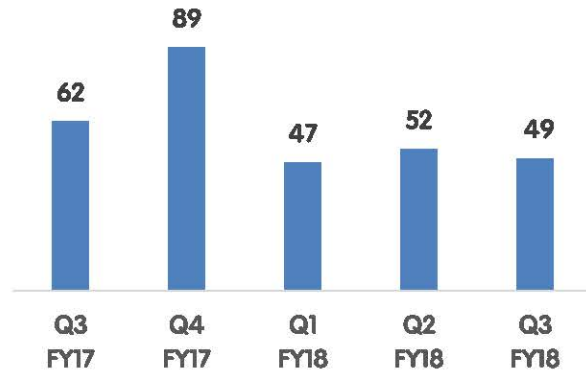
## Business Mix (Incl. New Business)

(%)



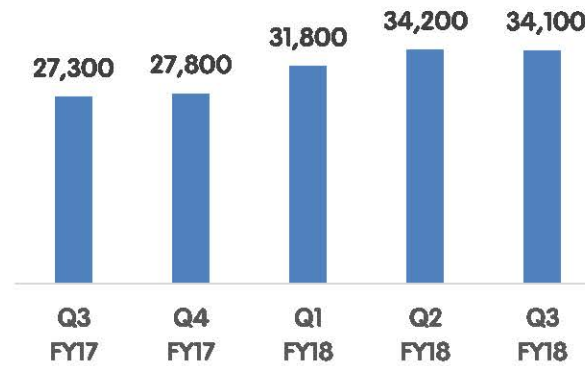
## No. of Individual Policies sold

(in '000s)



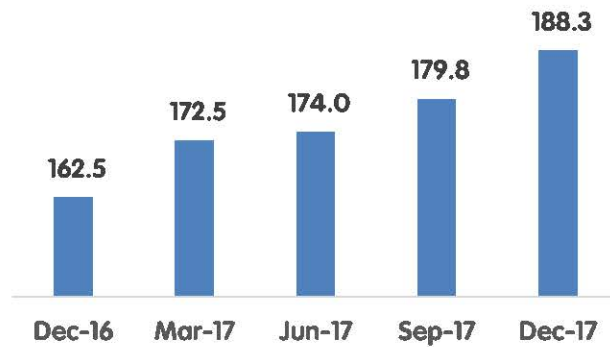
## Average Ticket size (approx.)\*

(Rs.)



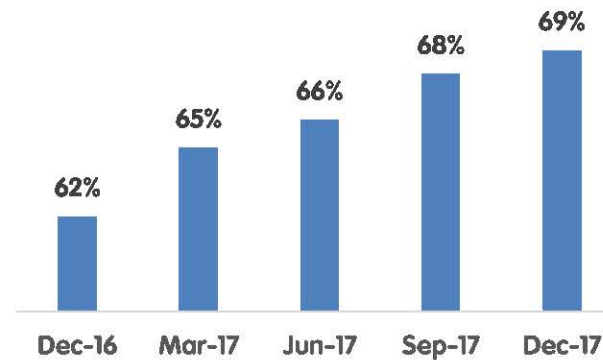
## Funds under Management

(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

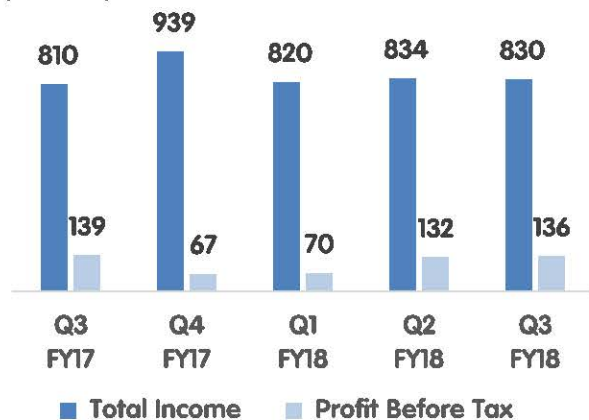
### Network and Client base

- **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%)**



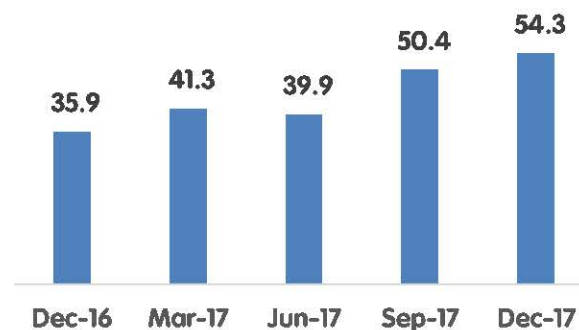
## Total income & Profit Before Tax

(Rs. million)



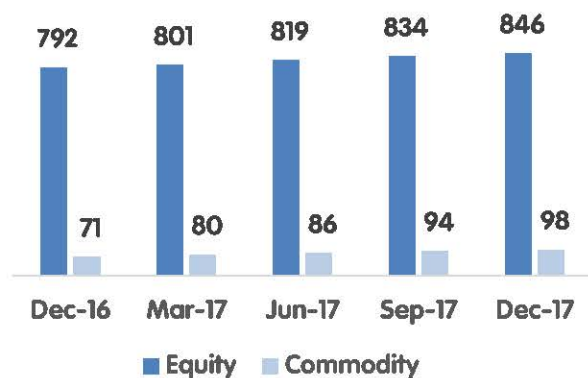
## Wealth Management AUM

(Rs. billion)



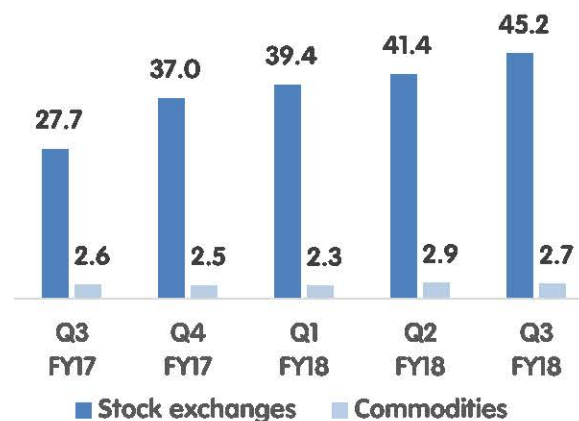
## Equity and Commodity Broking Accounts

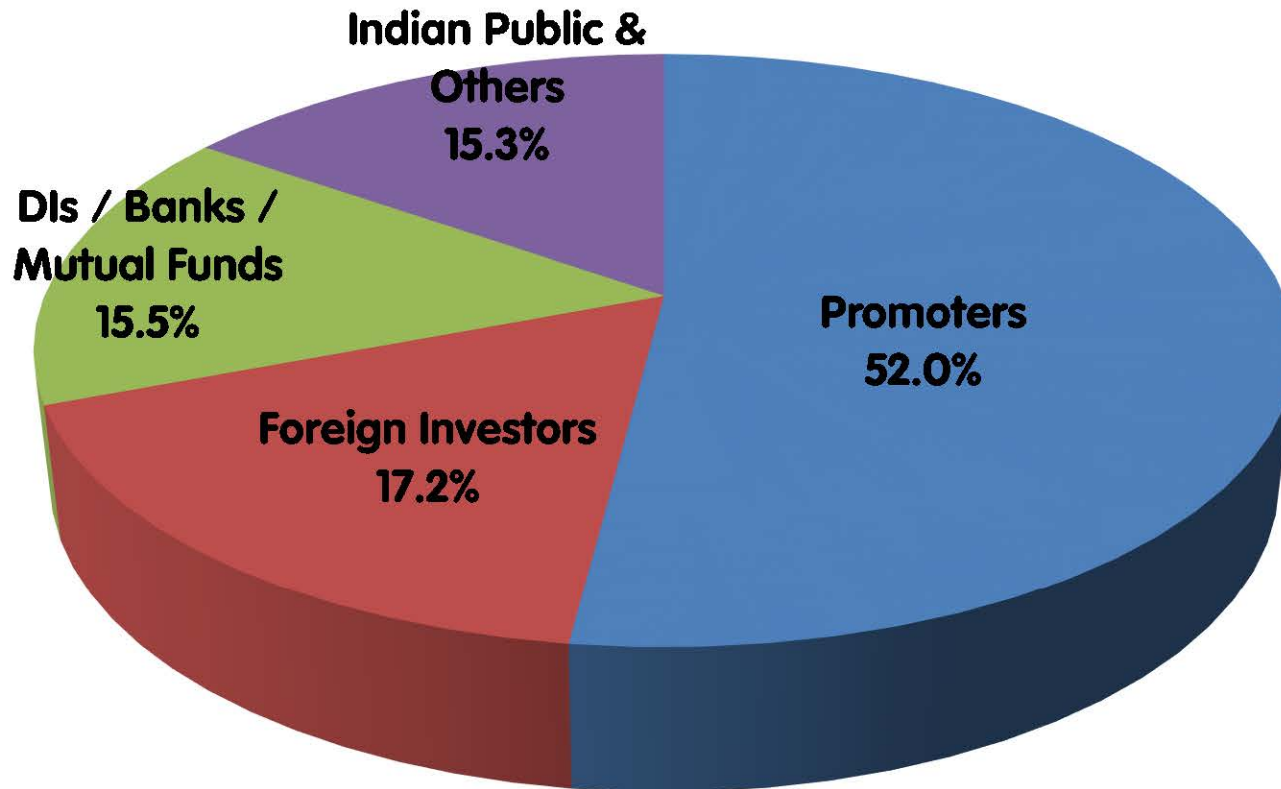
(in '000s)



## Average Daily Turnover (Stock exchanges and Commodities)

(Rs. billion)





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

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Thank you

# 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           |
| <b>Total Income</b>         | <b>47,713</b> | <b>39,637</b> | <b>20%</b>     | <b>52,645</b> | <b>(9%)</b>    | <b>1,76,396</b> |
| 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        |
| <b>Total Expenses</b>       | <b>43,773</b> | <b>36,213</b> | <b>21%</b>     | <b>48,330</b> | <b>(9%)</b>    | <b>1,61,007</b> |
| Profit before tax           | 3,940         | 3,424         | 15%            | 4,315         | (9%)           | 15,388          |
| <b>Net profit after tax</b> | <b>3,146</b>  | <b>2,095</b>  | <b>50%</b>     | <b>3,399</b>  | <b>(7%)</b>    | <b>10,859</b>   |

## 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         |
| <b>Total Income</b>      | <b>4,206</b> | <b>2,690</b> | <b>56%</b>     | <b>4,069</b> | <b>3%</b>      | <b>11,141</b> |
| 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           |
| <b>Profit before tax</b> | <b>701</b>   | <b>345</b>   | <b>103%</b>    | <b>589</b>   | <b>19%</b>     | <b>1,378</b>  |

## 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 |

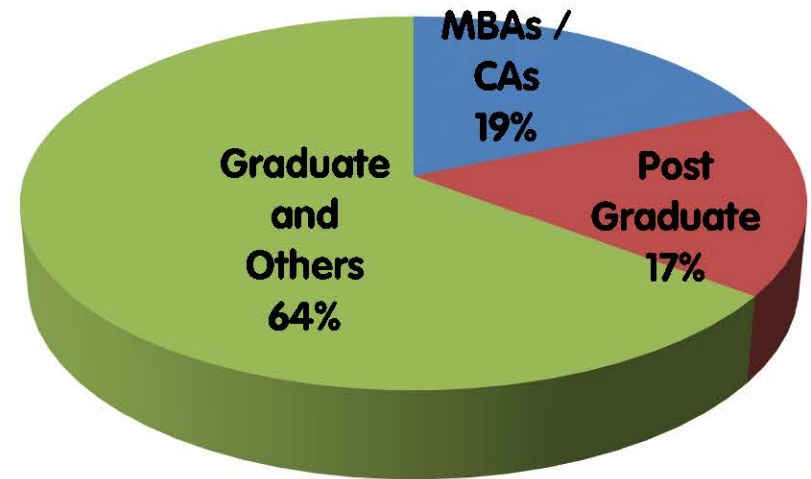
## Profit & Loss statement

| (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**